Our **strength.**
Our **people.**

2009astralmedia.com

ANNUAL REPORT 2009

Astral Media®

2009astralmedia.com

Sometimes, even the most carefully-chosen words and well-honed sentences are not enough to fully convey a message.

That's why we are so proud to invite you to visit 2009astralmedia.com for a complete interactive experience that will bring the highlights of Fiscal 2009 into full perspective. It will also reveal the diversity and dynamism of our pay and specialty television and radio media properties and the creativity behind our outdoor advertising products and strong interactive presence.

For a third consecutive year, as part of continuing efforts to reduce our environmental footprint, we have printed only 400 copies of our annual report, which solely contains financial reporting. Since 2007, this initiative has reduced by nearly 60,000 the number of copies we print.

Visit 2009astralmedia.com today to read our annual report online.

Table of contents

Astral Media is a **leading Canadian media company**, reaching people through a combination of **highly targeted media properties** in television, radio, outdoor advertising, and interactive media.

Profile

The Company is the country's largest broadcaster of English- and French-language pay and specialty television services and operates, on its own or with partners, 20 television services, including The Movie Network/HBO Canada, Super Écran, Family, Canal Vie, Canal D, VRAK.TV and TELETOON.

Astral Media is also Canada's largest radio broadcaster with 83 licensed radio stations in 8 provinces, including NRJ, RockDétente, Virgin Radio, EZ Rock and The Bear.

Astral Media Outdoor is one of Canada's most dynamic and innovative outdoor advertising companies with nearly 8,000 faces located in the largest markets in Québec, Ontario and British Columbia.

The Company also operates over 100 websites with a high level of interactivity and a variety of different products and services online. Astral Media employs approximately 2,800 people at its facilities in Montréal, Toronto, and a number of cities throughout Canada. The shares of Astral Media Inc. trade on the Toronto Stock Exchange under the ticker symbols ACM.A/ACM.B.

Corporate highlights

- 13 consecutive years of profitable growth
- Well-balanced and diversified revenue mix
- Favourably positioned in a recovering economy and advertising market
- Canadian deployment of powerful global brands such as HBO, Virgin Radio and NRJ
- Strong and stable management team
- Healthy balance sheet
- Strong free cash flows

Financial highlights

(in thousands of $)	2009	2008	2007(1)	2006(1)	2005(1)
Revenues	**905,725**	865,370	640,518	589,714	545,580
EBITDA (2)	**300,379**	289,578	206,694	189,818	170,882
Earnings from continuing operations before income taxes, excluding impairment of broadcast licences (2) (3)	**231,508**	229,301	194,912	173,908	157,736
Net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries (2) (3) (4)	**159,464**	150,462	126,624	113,900	103,466
Net earnings before impairment of broadcast licences and future income tax recoveries (3) (4) (5)	**159,464**	148,751	127,125	114,716	107,595
Cash flow from continuing operations (2)	**216,626**	205,342	151,999	143,741	129,543
Long-term debt	**692,761**	812,074	–	–	–
Shareholders' equity (6)	**1,165,066**	1,346,493	1,054,726	959,533	922,389
Total assets	**2,405,232**	2,716,607	1,527,054	1,400,360	1,378,375
Per-share data *(in $)*					
Net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries (2) (3) (4)	**2.84**	2.67	2.40	2.12	1.85
Net earnings before impairment of broadcast licences and future income tax recoveries (3) (4) (5)	**2.84**	2.64	2.41	2.13	1.93
Cash flow from continuing operations	**3.86**	3.65	2.88	2.67	2.32
Dividend	**0.50**	0.50	0.40	0.30	0.20
Book value (7)	**20.73**	24.04	20.06	18.12	16.78
Average number of shares outstanding *(in thousands)*	**56,100**	56,257	52,763	53,800	55,864

(1) Comparative figures have been adjusted following the reclassification of TATV's results of operations into discontinued operations (see "Discontinued Operations" section of the Management's Discussion and Analysis).

(2) See definition in the "Supplementary Measures" section of the Management's Discussion and Analysis.

(3) See "Impairment of Broadcast Licences and Goodwill" section of the Management's Discussion and Analysis.

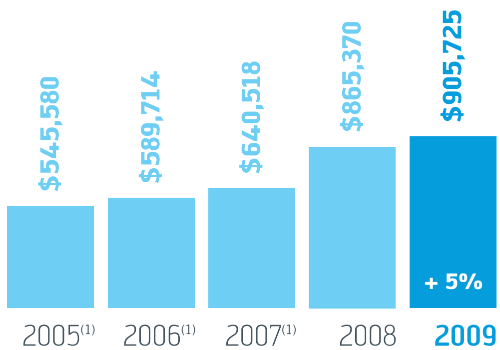
(4) See "Income taxes" section of the Management's Discussion and Analysis.

(5) Net earnings before impairment of broadcast licences and future income tax recoveries is identical, for the fiscal year 2009, to the net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries (see "Supplementary Measures" section of the Management's Discussion and Analysis). For fiscal years 2008 to 2005, the difference is explained by the results of discontinued operations.

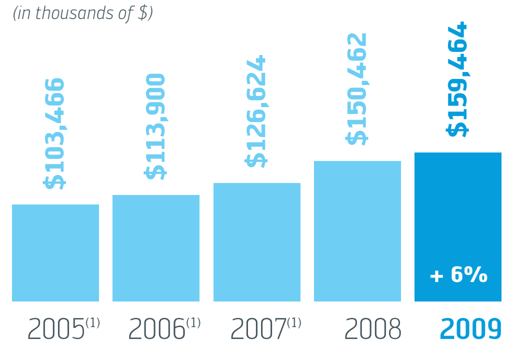
(6) Includes impairment of broadcast licences and future income tax recoveries.

(7) Based on the number of shares outstanding as at August 31.

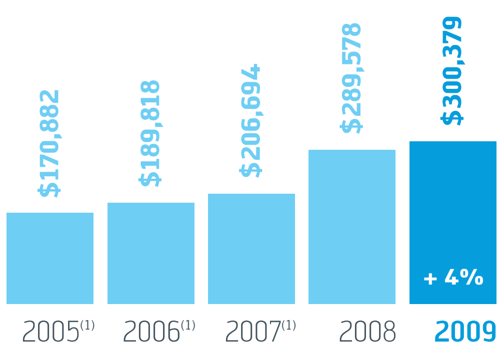
REVENUES
(in thousands of $)



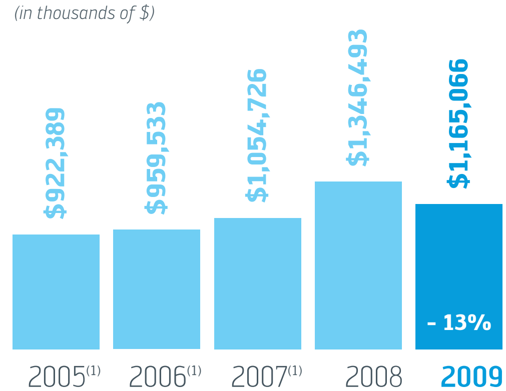
NET EARNINGS FROM CONTINUING OPERATIONS BEFORE IMPAIRMENT OF BROADCAST LICENCES AND FUTURE INCOME TAX RECOVERIES (2) (3) (4)
(in thousands of $)



EBITDA (2)
(in thousands of $)



SHAREHOLDERS' EQUITY (5)
(in thousands of $)



(1) Comparative figures have been adjusted following the reclassification of TATV's results of operations into discontinued operations (see "Discontinued Operations" section of the Management's Discussion and Analysis).

(2) See definition in the "Supplementary Measures" section of the Management's Discussion and Analysis.

(3) See "Impairment of Broadcast Licences" section of the Management's Discussion and Analysis.

(4) See "Income Taxes" section of the Management's Discussion and Analysis.

(5) Includes impairment of broadcast licences and future income tax recoveries.

Board of directors

Normand Beauchamp[3]
President and Chief Executive Officer
Capital NDSL Inc.

Austin C. Beutel[1 (Chair)]
Corporate director and Chairman
Oakwest Corporation Limited

Paul A. Bronfman[2]
Chairman and Chief Executive Officer
Comweb Group Inc.

André Bureau, O.C.
Chairman of the Board
Astral Media Inc.

Jack L. Cockwell[1, 3]
Group Chairman
Brookfield Asset Management Inc.

George A. Cohon, O.C.[2 (Chair), 3]
Founder, McDonald's Restaurants of Canada Limited and Founder, McDonald's Russia

Paul V. Godfrey, C.M.[1, 2]
President and Chief Executive Officer
The National Post

Ian Greenberg
President and Chief Executive Officer
Astral Media Inc.

Sidney Greenberg
Vice-President
Astral Media Inc.

Stephen Greenberg
President, Incendo Media Inc. and Director, Incendo Productions Inc.

Sidney M. Horn
Partner, Stikeman Elliott LLP

Mila P. Mulroney[3]
Corporate director and Vice-President
Cansult Communications Inc.

Timothy R. Price[1, 2, 3 (Chair), 4]
Chairman
Brookfield Funds
Brookfield Asset Management Inc.

Gary Slaight
President and Chief Executive Officer
Slaight Communications Ltd.

Committees of the Board of Directors

1 Audit

2 Compensation and Human Resources

3 Corporate Governance and Nominating

4 Lead Independent Director

Management committee members

Ian Greenberg
President and Chief Executive Officer, Astral Media Inc.

André Bureau
Chairman of the Board, Astral Media Inc.

Deborah Beatty
Vice-President, Interactive Media, Astral Media Inc.

Alain Bergeron
Vice-President, Corporate Communications and Chief Marketing Officer, Astral Media Inc.

Brigitte Catellier
Vice-President, Legal Affairs and Secretary, Astral Media Inc.

Arnold Chiasson
Vice-President, Human Resources, Astral Media Inc.

Sophie Émond
Vice-President, Regulatory and Government Affairs, Astral Media Inc.

Robert Fortier
Vice-President, Finance, Astral Media Inc.

Claude Gagnon
Senior Vice-President and Chief Financial Officer, Astral Media Inc.

Sidney Greenberg
Vice-President, Astral Media Inc.

Claude Lizotte
Executive Vice-President, Astral Media Plus

Jacques Parisien
Group President, Astral Media Radio and Astral Media Outdoor

John Riley
President, Astral Television Networks and Astral Télé Réseaux

Pierre Roy
President, Les Chaînes Télé Astral and President, MusiquePlus Inc.

Luc Sabbatini
President, Astral Media Outdoor

Corporate governance

ASTRAL MEDIA BELIEVES THAT EFFECTIVE CORPORATE GOVERNANCE PRACTICES ARE FUNDAMENTAL TO THE OVERALL SUCCESS OF A COMPANY.

In January 2009, Korn/Ferry International and Commerce Magazine awarded its Board of Directors of the Year award to Astral Media (mid-size companies category). This award is attributed each year among all publicly-traded companies in Québec.

Our Board of Directors supervises and evaluates the management of the Company and oversees matters related to its strategic direction, business and operations. The Board's mission is to protect the interests of the Company and its shareholders.

There are three Committees of the Board: the Audit Committee, the Compensation and Human Resources Committee and the Corporate Governance and Nominating Committee.

Our Lead Independent Director ensures that the Board carries out its responsibilities effectively. Every regularly scheduled meeting of the Board is followed by a session without the presence of management to ensure free and open discussion among our independent directors.

Astral Media is committed to fully complying with applicable corporate governance requirements and seeks to continuously improve its corporate governance standards. Over the past few years, Astral Media has made a number of important changes to its corporate governance practices and to the transparency of those practices. As such:

- Two thirds of our Board members are independent and all of our Committee members are independent.
- The Lead Independent Director has a defined mandate, and each year he reviews the performance of individual directors, of the Board and Committee Chairs, and of the Board as a whole.
- Mandates have been defined for the Board of Directors and its Committees, the Chairman, Committee Chairs as well as the CEO.
- For the purpose of director succession planning, the Corporate Governance and Nominating Committee approved the use of a matrix which includes areas of expertise of Board nominees. These areas of expertise are disclosed in the Management Proxy Circular. The Board of Directors also maintains an "evergreen" list of potential director candidates.
- The issuance of stock options to directors has been discontinued and replaced by a deferred share unit program.

– Minimum shareholding requirements for directors and senior executive officers have been introduced to better align their interests with those of our shareholders.

– The Company has a Code of Ethics that establishes a high standard for ethical behaviour among management and employees.

– A formal Disclosure Policy has been implemented to ensure that communications with investors and the public are timely, factual and accurate.

– The Audit Committee is required to pre-approve all services performed by external auditors.

– The Company has adopted "whistleblowing" procedures for employees and third parties wishing to report a complaint or concern with respect to accounting or auditing matters, or behaviour that is contrary to standards established under the Company's Code of Ethics.

– The Board of Directors has adopted a Charter of Expectations for Directors, which includes a conflict of interest policy and a majority voting policy.

For a complete review of the Company's corporate governance practices, please refer to the Management Proxy Circular, available on our website at astralmedia.com.

Table of contents

Financial Review

Management's Discussion and Analysis

for the periods ended August 31, 2009

The purpose of this Management's Discussion and Analysis ("MD&A"), dated October 27, 2009, is to provide readers with additional and complementary information regarding Astral Media Inc.'s ("Astral", "Astral Media" or the "Company") financial condition and results of operations and should be read in conjunction with the audited consolidated financial statements and related notes contained in the Company's 2009 Annual Report, and with the Company's Annual Information Form.

Copies of these documents, the Company's Management Proxy Circular dated October 27, 2009, its notices of intention to make a normal course issuer bid, as well as additional information concerning the Company can be found on the SEDAR Web site at www.sedar.com and may also be obtained upon request, without charge, to the Secretary of the Company at its executive offices, 2100, rue Sainte-Catherine Ouest, bureau 1000, Montréal, Québec, H3H 2T3, telephone: 514-939-5000. The above-mentioned documents, as well as the Company's news releases, are also available on the Company's Web site at www.astralmedia.com.

All amounts herein are expressed in Canadian dollars. Certain comparative figures have been reclassified to conform with the basis of presentation adopted in Fiscal 2009.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements concerning the future performance of the Company's business, its operations and its financial results and condition. When used in this document, the words "believe", "anticipate", "intend", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are based on current expectations. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, including technological change, economic conditions, regulatory change, competitive factors and changes in accounting rules or standards, many of which are beyond the Company's control (see "Risks, Uncertainties and Opportunities"). Therefore, future events and results may vary substantially from what we currently foresee. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PROFILE

Astral Media is a leading Canadian media company, reaching people through a combination of highly targeted media properties in television, radio, outdoor advertising, and interactive media. The Company is the country's largest broadcaster of English- and French-language pay and specialty television and operates, on its own or with partners, 20 television services, including The Movie Network / HBO Canada, Super Écran, Family, Canal Vie, Canal D, VRAK.TV, and TELETOON. Astral Media is also Canada's largest radio broadcaster with 83 licensed radio stations in 8 provinces, under some of the industry's best known brands including NRJ, RockDétente, Virgin Radio and EZ Rock. Astral Media Outdoor is one of Canada's most dynamic and innovative outdoor advertising companies with nearly 8,000 faces located in the largest markets in Québec, Ontario and British Columbia. Astral Media also operates over 100 websites with a high level of interactivity and a variety of different products and on-line services. The Company employs approximately 2,800 people at its facilities in Montréal, Toronto, and in a number of cities throughout Canada. The shares of Astral Media Inc. trade on the Toronto Stock Exchange under the ticker symbols ACM.A/ACM.B.

YEAR'S HIGHLIGHTS

- 5% increase in revenues
- 4% increase in EBITDA [(1)]
- 6% increase in net earnings from continuing operations, before impairment of broadcast licences and future income tax recoveries [(2)] [(3)] (188% decrease in net earnings from continuing operations)
- 6% increase in basic earnings per share from continuing operations, before impairment of broadcast licences and future income tax recoveries [(2)] [(3)] (189% decrease in basic earnings per share from continuing operations)
- The Company's results include an impairment charge related to its Radio broadcast licences, net of future income tax recoveries, of $317.5 million
- The repayment of $120.0 million of long-term debt
- The launch of a new French-language specialty service, TÉLÉTOON Rétro, on September 4, 2008
- The issuance by the CRTC [(4)] of its new television regulatory frameworks for specialty and pay services, broadcast distributors and conventional broadcasters, on October 30, 2008 (see "Regulated Environment")
- The launch of HBO Canada, a The Movie Network multiplex channel, on October 30, 2008
- The launch of three additional Virgin Radio stations in Vancouver, Ottawa and Montreal, in January 2009
- The launch of the Company's new Digital outdoor advertising network in Montreal, the first of its kind in Canada, in May 2009
- The launch of the NRJ global brand in Québec, in July 2009
- The confirmation by the CRTC of its approval of Astral Media Radio's licence application for a radio station to serve the Ottawa-Gatineau market, in August 2009
- Subsequent to Fiscal 2009, the Canadian Association of Broadcasters (the "CAB") announced a settlement agreement with the Government of Canada pertaining to the regulation of Part II licence fees. Consequently, the Company will reverse accrued fee expenses of $12.4 million in the first quarter of Fiscal 2010 (see "Regulated Environment")
- Subsequent to Fiscal 2009, the Company announced that it had entered into an agreement to install and operate a network of nine digital outdoor advertising faces in and around Vancouver, and of three digital outdoor advertising faces in Toronto.

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA") (see "Supplementary Measures").

(2) See "Income Taxes".

(3) See "Supplementary Measures".

(4) Canadian Radio-television and Telecommunications Commission.

PERFORMANCE REVIEW

Selected Annual Financial Information

(in thousands of $ except for per-share data)	2009	2008	2007
Revenues	**905,725**	865,370	640,518
EBITDA [1]	**300,379**	289,578	206,694
Earnings from continuing operations before income taxes, excluding impairment of broadcast licences [1]	**231,508**	229,301	194,912
Impairment charge on broadcast licences, net of $82.0 million of income tax recovery	**(317,489)**	–	–
Net earnings (loss) from continuing operations	**(158,025)**	178,721	130,693
Net earnings (loss)	**(158,025)**	177,010	131,194
Weighted average number of shares outstanding – basic	**56,100**	56,257	52,763
Weighted average number of shares outstanding – diluted	**56,100**	57,206	53,912
Basic earnings (loss) per share from continuing operations	**(2.82)**	3.18	2.48
Diluted earnings (loss) per share from continuing operations	**(2.82)**	3.12	2.42
Basic earnings (loss) per share	**(2.82)**	3.15	2.49
Diluted earnings (loss) per share	**(2.82)**	3.09	2.43
Cash and cash equivalents, bank overdraft, and short-term investments	**23,100**	6,318	72,365
Total assets	**2,405,232**	2,716,607	1,527,054
Long-term debt	**692,761**	812,074	–
Derivative financial instruments	**22,377**	18,374	–
Other long-term financial liabilities	**6,955**	13,446	23,376
Cash dividends per share (Class A and B shares)	**0.50**	0.50	0.40

The most significant variances in the results from continuing operations between Fiscal 2009, 2008 and 2007 are the result of an impairment charge on broadcast licences that was recorded in Fiscal 2009 in the Company's Radio segment and of acquisitions that took place in Fiscal 2008 and Fiscal 2007. Advertising revenue growth in Fiscal 2009, in all three segments of the Company, was also negatively influenced by a weak economic environment and the fact that the Fiscal 2008 broadcasting calendar included one additional week, for a total of 53 weeks compared to 52 weeks in Fiscal 2009, most of the difference being in the fourth quarter which included 98 days in 2008 compared to 92 days in 2009. This was partially counterbalanced by the continuous growth of subscription-related revenues, in both pay and specialty television.

The fourth quarter of Fiscal 2009 is the third quarter for which year-over-year results of operations are compared on a fully organic basis since the completion of the Standard Acquisition [2] on October 29, 2007. However, it should be noted that results for Fiscal 2009 include twelve months of operations of the assets acquired as part of the Standard Acquisition as compared to ten months in Fiscal 2008.

The variances that are explained throughout this MD&A relate to financial results excluding the impact of the impairment charge on broadcast licences in Fiscal 2009 (see "Impairment of Broadcast Licences and Goodwill" section) and the impact of future income tax rate changes in Fiscal 2008 (see "Income Taxes" section).

(1) See "Supplementary Measures".

(2) See "Business Developments" for the description and definition of the Standard Acquisition.

Consolidated Results from Continuing Operations

(in thousands of $ except for per-share data)	3 months 2009	3 months 2008	3 months % Change	12 months 2009	12 months 2008	12 months % Change
Revenues	**219,427**	229,872	-5%	**905,725**	865,370	5%
Operating expenses	**142,691**	148,818	-4%	**605,346**	575,792	5%
EBITDA [1]	**76,736**	81,054	-5%	**300,379**	289,578	4%
Depreciation and amortization	**7,057**	6,386	11%	**27,520**	22,812	21%
Interest expense, net	**7,978**	11,101	-28%	**36,968**	37,465	-1%
Restructuring charges	**1,076**	–	n/a	**4,383**	–	n/a
Earnings from continuing operations before income taxes, excluding impairment of broadcast licences [1]	**60,625**	63,567	-5%	**231,508**	229,301	1%
Income tax provision before future income tax recoveries [2]	**16,773**	22,761	-26%	**72,044**	78,839	-9%
Net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries [1]	**43,852**	40,806	7%	**159,464**	150,462	6%
Impairment of broadcast licences, net of $82.0 million of future income tax recovery	**(317,489)**	–	n/a	**(317,489)**	–	n/a
Future income tax recovery resulting from income tax rate changes [2]	**–**	–	–	**–**	28,259	n/a
Net earnings (loss) from continuing operations	**(273,637)**	40,806	-771%	**(158,025)**	178,721	-188%
Basic earnings per share from continuing operations, before impairment of broadcast licences and future income tax recoveries [1]	**0.78**	0.72	8%	**2.84**	2.67	6%
Impact of the impairment of broadcast licences, net of $82.0 million of income tax recovery [2]	**(5.65)**	–	n/a	**(5.66)**	–	n/a
Impact of future income tax recovery resulting from income tax rate changes [2]	**–**	–	–	**–**	0.51	n/a
Basic earnings (loss) per share from continuing operations	**(4.87)**	0.72	-776%	**(2.82)**	3.18	-189%
Diluted earnings (loss) per share from continuing operations	**(4.87)**	0.72	-776%	**(2.82)**	3.12	-190%
Weighted average number of shares outstanding – basic (in thousands)	**56,170**	56,362	–	**56,100**	56,257	–
Weighted average number of shares outstanding – diluted (in thousands) [3]	**56,170**	56,993	-1%	**56,100**	57,206	-2%
Cash flow from continuing operations [1]	**62,069**	60,055	3%	**216,626**	205,342	5%

(1) See "Supplementary Measures".

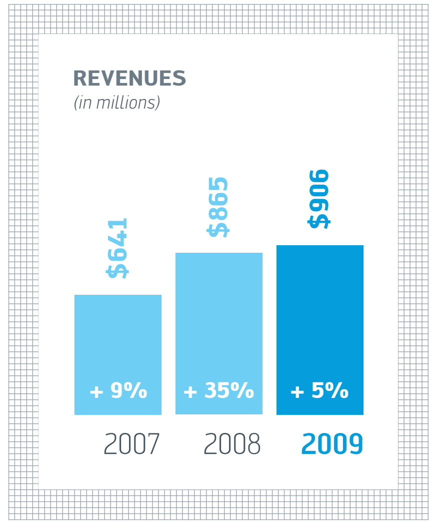
(2) See "Income Taxes".

(3) The 2009 weighted average number of shares outstanding used for the computation of the diluted loss per shares is equal to the 2009 weighted average number of shares outstanding used for the computation of the basic loss per shares because the effect of the dilutive securities is anti-dilutive.

Overall Analysis

Revenues

Television revenues are derived from subscription fees, advertising sales and pay-per-view sales. Pay-television subscription revenues tend to follow the growth trend of digital television subscribers in the same markets, while specialty television subscriber revenues generally show lower growth rates as these services are distributed on high-penetration analog and digital tiers. Television and Radio advertising revenues are derived from advertising aired on the Company's broadcasting properties and they vary according to market and general economic conditions, the quality of programming and the effectiveness of the sales organization. Outdoor Advertising revenues are derived from the sale of advertising on the Company's inventory of outdoor faces and street furniture equipment, and are influenced by their number in inventory, their location, creative appeal and size, occupancy levels, as well as market and general economic conditions. See the "Quarterly Performance" section for explanations of seasonal patterns and any difference in the year-over-year length of the broadcasting calendar.



Revenues are detailed as follows:

(in thousands of $)	3 months 2009	3 months 2008	3 months % Change	12 months 2009	12 months 2008	12 months % Change
Subscription related – Television	**103,939**	95,808	8%	**403,846**	382,714	6%
Advertising						
Television	**19,673**	22,469	-12%	**104,294**	108,171	-4%
Radio	**76,180**	88,720	-14%	**323,002**	296,302	9%
Outdoor Advertising	**18,349**	21,366	-14%	**69,458**	72,061	-4%
Total Advertising	**114,202**	132,555	-14%	**496,754**	476,534	4%
Other	**1,286**	1,509	-15%	**5,125**	6,122	-16%
Total Revenues	**219,427**	229,872	-5%	**905,725**	865,370	5%

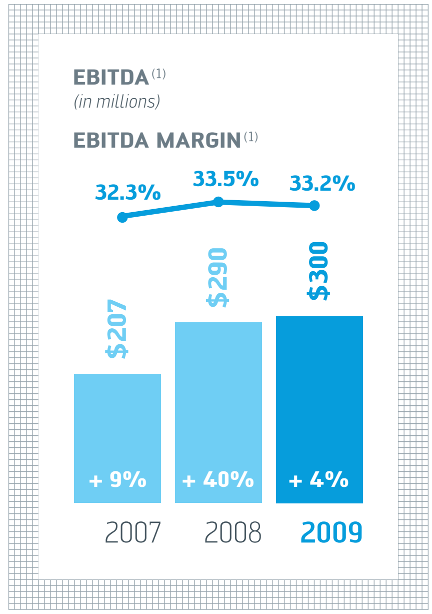
Total revenues reached $219.4 million for the three-month period ended August 31, 2009 compared to $229.9 million for the same period last year for a decrease of $10.5 million. The decrease is mainly coming from lower advertising revenues in all three segments, mainly due to the adverse impact of weak economic conditions, and the fact that the 2009 broadcasting calendar had 13 weeks in the fourth quarter as compared to the total of 14 weeks in Fiscal 2008 (see "Selected Annual Information" and "Quarterly Performance"). This was partially offset by an increase of $8.1 million in subscription related revenues in Television. For the year, total revenues reached $905.7 million in 2009 compared to $865.4 million in 2008, representing an increase of 5%. On an organic basis [1], the revenue increase was flat for the twelve-month period ended August 31, 2009. Subscription-related

(1) Excluding the impact of two months of operations (September and October 2008) of the assets acquired on October 29, 2007 as part of the Standard Acquisition (see "Business Developments").

revenue gains were driven mainly by subscriber growth, both in pay and specialty television and from new television services launched in Fiscal 2008 and 2009. The fourth quarter of Fiscal 2009 was a challenging period on the advertising front as a result of weakened general economic conditions. Revenue variations are explained in the "Business Segment Performance" section.

Operating Expenses

A large portion of the 5% increase in operating expenses for the twelve-month period ended August 31, 2009 is explained by the inclusion of twelve months of operations of the assets acquired as part of the Standard Acquisition compared to only ten months for the same period last year. The Company's most significant operating expenses are television programming costs and salaries and benefits, which together, excluding the impact of the Standard Acquisition, represent the majority of cost increases in the twelve-month period ended August 31, 2009 compared to the prior year's corresponding period. Variances are explained in the "Business Segment Performance" section.



EBITDA[(1)]

The Company's EBITDA[(1)] for the quarter ended August 31, 2009 is below the EBITDA[(1)] for the same period last year, mainly due to lower advertising revenues, as previously explained. For the twelve-month period ended August 31, 2009, the increase in the Company's EBITDA[(1)] is mainly due to the inclusion of twelve months of operation of the assets acquired as part of the Standard Acquisition compared to only ten months for the same period last year, and to increased subscription-related revenues in both pay and specialty television. On an organic basis[(2)], the Company's EBITDA[(1)] decreased by 1% over last year's results. As a result, the overall EBITDA margins[(1)] of 35.0% for the quarter and 33.2% for the twelve-month period are slightly below the EBITDA margins[(1)] for the same periods last year. EBITDA[(1)] by segment is reviewed in the "Business Segment Performance" section.

EBITDA[(1)] by Segment

(in thousands of $)	3 months			12 months		
	2009	2008	% Change	**2009**	2008	% Change
Television	**42,756**	41,815	2%	**188,445**	179,513	5%
Radio	**28,607**	37,191	-23%	**110,366**	111,140	-1%
Outdoor Advertising	**10,258**	8,370	23%	**26,175**	23,645	11%
Corporate	**(4,885)**	(6,322)	-23%	**(24,607)**	(24,720)	–
EBITDA [(1)]	**76,736**	81,054	-5%	**300,379**	289,578	4%
EBITDA margin [(1)]	***35.0%***	*35.3%*	*-1%*	***33.2%***	*33.5%*	*-1%*

(1) See "Supplementary Measures".

(2) Excluding the impact of two months of operations (September and October 2008) of the assets acquired on October 29, 2007 as part of the Standard Acquisition (see "Business Developments").

Depreciation and Amortization

The total depreciation and amortization expense of $7.1 million for the quarter and $27.5 million for the twelve-month period increased by $0.7 million and $4.7 million respectively as compared to the same periods last year. The increase for the quarter is mainly due to the amortization of business pre-operating costs related to new services launched in Fiscal 2008 and Fiscal 2009. The increase for the twelve-month period is also due to the amortization of business pre-operating costs of new services as explained above, and to the depreciation and amortization expense emanating from two additional months of operations of the assets acquired as part of the Standard Acquisition, as well as from the acquisition and the deployment of street furniture equipment for the street furniture program with the City of Toronto (the "TSF"). Any significant depreciation and amortization variance by segment is reviewed in the "Business Segment Performance" section.

Interest

Interest expense is primarily composed of interest on the Company's long-term debt and imputed interest on other non-current liabilities, net of interest income earned on cash, cash equivalents and short-term investments. Net interest expense for the three- and twelve-month periods ended August 31, 2009 was $8.0 million and $37.0 million respectively, compared to $11.1 million and $37.5 million for the same periods last year. The decrease in the interest expense of $3.1 million for the three-month period is due to a lower interest rate on the portion of the long-term debt which is not covered by the interest-rate swap agreement, and to debt repayments of $120.0 million over the last twelve months. The effective interest rate, including the effect of the interest-rate swap agreement, was 3.9% for the fourth quarter compared to 4.9% for the same period last year.

The decrease of $0.5 million for the twelve-month period is due to a lower interest rate on the portion of the long-term debt which is not covered by the interest-rate swap agreement, and by debt repayments of $120.0 million over the last twelve months resulting in a lower interest expense of $8.6 million. This is partially offset by higher interest on long-term debt of $6.8 million as a result of twelve months of interest expense on the borrowing required as part of the financing of the Standard Acquisition, as compared to only ten months of interest for the same period last year. The effective interest rate, including the effect of the interest-rate swap agreement, was 4.2% for the twelve-month period ended August 31, 2009, compared to 5.1% last year for a ten-month period (October 29, 2007 to August 31, 2008). Finally, other interest and financial expenses increased by $1.0 million mainly due to higher other interest expense of $0.2 million and to lower interest income of $0.8 million. Lower interest income is mainly due to lower interest rates relating to income earned on cash, cash equivalents and short-term investments during Fiscal 2009. Interest rates varied between 0.5% and 3.0%, as compared to 3.0% and 4.6% last year.

Restructuring Charges

During Fiscal 2009, the Company reorganized certain of its Television operations in order to gain flexibility and efficiency. Also, following the integration of the Standard Acquisition and in order to maintain and enhance the competitive position of its 83 radio stations across Canada, the Company restructured certain of its Radio operations. These initiatives, in both segments, resulted in the departure of a number of employees at all levels of the organization and in restructuring charges, predominantly severance payments, of $4.4 million. These measures are expected to result in future savings amounting to approximately $4.2 million per year.

Impairment of Broadcast Licences and Goodwill

As disclosed in the Critical Accounting Estimates section, the Company's broadcast licences and goodwill are not amortized but are tested for impairment annually, or more frequently if events or circumstances indicate that it is more likely than not that their value might be impaired. During the fourth quarter of Fiscal 2009, the Company performed its broadcast licences and goodwill annual impairment tests and concluded that there was no impairment of goodwill related to each of its three business segments, nor of its television broadcast licences.

However, the current economic downturn and ensuing decline of advertising revenue has resulted in a decrease in the fair value of the Company's Radio broadcast licences. Consequently, the Company recorded an impairment charge of $317.5 million, net of a future income tax recovery of $82.0 million, related to its licences acquired from Standard Radio Inc. in Fiscal 2008, and from Telemedia Corporation and Radiomutuel inc. in Fiscal 2003 and Fiscal 2000 respectively.

The impairment test for broadcast licences consists of comparing their carrying amount to their fair value. An impairment charge, if any, representing the excess of the carrying amount over the fair value is recognized on the consolidated statements of earnings. The Company has used discounted future cash flows to assess the fair value of its broadcast licences. The test was based on assumptions comprising, amongst others, management's best estimates of projected operating earnings, discount rate, expected terminal growth rate of operating earnings and future capital expenditures. Other factors taken into consideration include the current economic downturn and the ensuing general decline of advertising sales markets.

Income Taxes

Income tax provision before future income tax recovery

Numerous tax audits by various tax authorities were completed in Fiscal 2009. The effective income tax rates of 27.7% and 31.1% respectively for the fourth quarter and the twelve-month period of Fiscal 2009 are lower than the statutory rate of 32.1% for both periods, mainly due to a $3.0 million reduction of accrued contingent income tax liabilities following the resolution of matters related to the various tax audits. This was partially offset by the impact of the non-deductible stock-based compensation expense. The effective income tax rates, for both periods, are also lower than last year's corresponding period rates of 35.8% and 34.4% mainly due to the decrease in the Federal general corporate income tax rate, which is partially offset by an increase in the Québec general corporate income tax rate, to the $3.0 million liability reduction described above, and to an income tax expense of $1.2 million related to a potential disputed tax liability which was recorded in the fourth quarter of Fiscal 2008.

Future income tax recovery resulting from impairment of broadcast licences

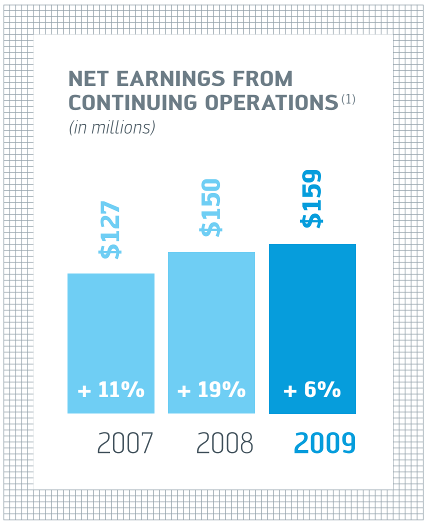
During the fourth quarter of Fiscal 2009, the Company recorded a non-cash impairment charge of $399.5 million, which had a direct impact on the value of the Company's net future income tax liabilities which were re-measured using the newly established value of the broadcast licences. This resulted in a non-cash future income tax recovery of $82.0 million ($1.46 per share) recorded in the audited consolidated statement of earnings for the year ended August 31, 2009.

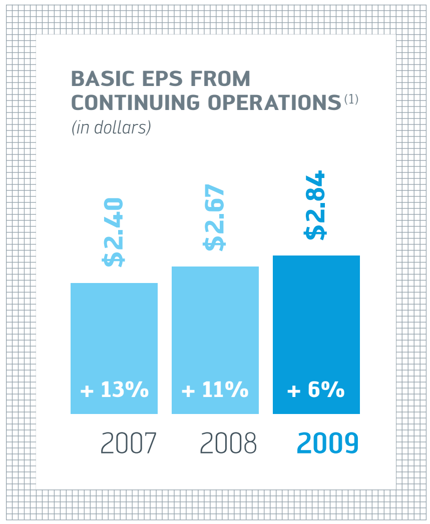
Future income tax recovery resulting from income tax rate changes

During Fiscal 2008, the Federal government enacted a phased-in decrease to the Federal general corporate income tax rate and the British Columbia government substantively enacted a decrease to its general corporate income tax rate. Upon each substantively enacted rate change, over which the Company has no control, the Company was required to re-measure its future income tax assets and liabilities using the newly substantively enacted corporate income tax rates, taking into account the rates anticipated to be in effect when the respective future income tax assets are realized or liabilities are settled. For the twelve-month period ended August 31, 2008, this resulted in a non-cash future income tax recovery of $28.3 million ($0.51 per share) recorded in the audited consolidated statement of earnings.

Net Earnings and Earnings per Share ("EPS") from Continuing Operations

Net earnings from continuing operations increased by $9.0 million or 6% during Fiscal 2009 compared to the same period last year (excluding the non-cash impairment charge of the Company's radio broadcast licences and related future income tax recovery and the Fiscal 2008 non-cash future income tax recovery, all previously explained in "Impairment of Broadcast Licences and Goodwill" and "Income Taxes" sections). This is the result of a 1% increase in earnings from continuing operations before income taxes (excluding the impact of the impairment charge on broadcast licences) and a lower effective income tax rate (see "Income Taxes"). The basic EPS from continuing operations (1) increased by 6% in Fiscal 2009 compared to last year (excluding the net impact of the impairment charge on broadcast licences in Fiscal 2009 and the impact of future income tax rate change in Fiscal 2008).





Discontinued Operations

For the year ended August 31, 2009, the Company's net loss do not include any results of operations from discontinued operations. In August 2008, the Company announced the closing of its classified ad division TATV. A loss from operations of $1.2 million (net of income tax recovery of $0.6 million) was recorded in discontinued operations on the audited consolidated statement of earnings for the year ended August 31, 2008, including exit costs of $1.3 million (net of income tax recovery of $0.6 million), such as severance costs and penalties for the cancellation of a contractual obligation, and the write-off of the carrying value of TATV's property, plant and equipment which are no longer used by the Company. In Fiscal 2008, the Company also recorded an income tax expense of $0.5 million related to additional future income tax liabilities with regards to a previously discontinued operation.

Net Earnings and EPS

Net earnings and EPS in Fiscal 2009 are identical to net earnings and EPS from continuing operations since they do not include any results of operations from discontinued operations. Net earnings for the three- and twelve-month periods ended August 31, 2008 included $1.9 million and $1.7 million, respectively, of net loss from discontinued operations which had an impact of $0.03 on the basic EPS for both periods.

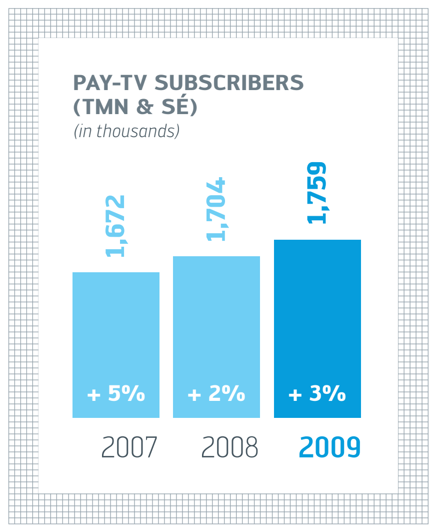
(1) Before the impact of the impairment charge, net of future income tax recovery, and the impact of future income tax rate changes (see "Income Taxes" and "Supplementary Measures").

BUSINESS SEGMENT PERFORMANCE

Television

(in thousands of $ except for pay-television subscribers)	3 months 2009	3 months 2008	3 months % Change	12 months 2009	12 months 2008	12 months % Change
Pay-television subscribers – end of period (in thousands)	**1,759**	1,704	3%	**1,759**	1,704	3%
Revenues	**124,898**	119,786	4%	**513,265**	497,007	3%
Operating expenses	**82,142**	77,971	5%	**324,820**	317,494	2%
EBITDA [1]	**42,756**	41,815	2%	**188,445**	179,513	5%
Depreciation and amortization	**2,876**	2,155	33%	**10,168**	8,001	27%
Restructuring charges	**–**	–	–	**616**	–	n/a
	39,880	39,660	1%	**177,661**	171,512	4%
EBITDA margin [1]	***34.2%***	*34.9%*	*-2%*	***36.7%***	*36.1%*	*2%*

The Television segment showed a strong performance in the three- and twelve-month periods ended August 31, 2009 mainly due to strong subscription-related revenues which more than offset lower advertising revenues. This resulted in revenue increases of 4% and 3% in the three- and twelve-month periods, mainly from higher subscription-related revenues, the launch of new television services such as HBO Canada, from the continuing expansion of digital distribution services and high-definition service offerings, high-quality and exclusive programming, web initiatives and strong brand recognition.

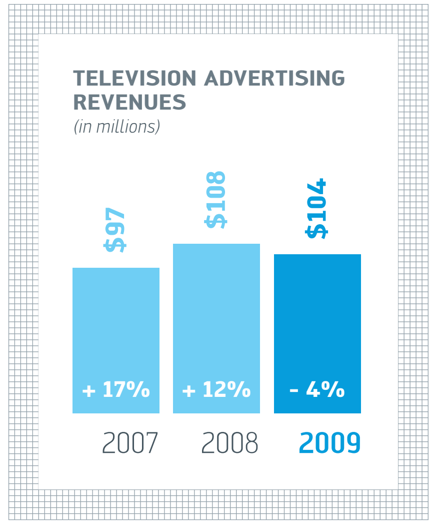


Pay-television revenues (The Movie Network ("TMN"), Super Écran ("SÉ"), Mpix and Cinépop) increased by 10% in the fourth quarter of Fiscal 2009 and by 6% for the year, while the number of pay-television subscribers, as at August 31, 2009, increased by 3% year-over-year. HBO Canada contributed significantly to the increase of pay-television revenues.

Specialty television subscriber revenues increased by 6% and 7% for the three- and twelve-month periods ended August 31, 2009, mainly due to increases in the subscriber base. Strong results in subscription-related revenues more than compensated for the adverse impact of the economic slowdown on specialty television advertising revenues which were down 12% and 4% respectively for the three- and twelve-month periods ended August 31, 2009. The fact that there were six fewer days in Fiscal 2009 compared to the broadcasting calendar of 371 days in Fiscal 2008 explains approximately $1.8 million of the advertising revenue year-to-year shortfall. However, while Astral's French-language speciality television advertising revenues, excluding the restructured MusiquePlus and MusiMax networks (see below), decreased by 8% during the fourth quarter, they showed an increase of 2% during the twelve-month period of Fiscal 2009, despite the lower number of days in the

(1) See "Supplementary Measures".

broadcasting calendar. In comparison, the overall Québec French-language television advertising market decreased by an estimated 17% (1) during the fourth quarter and by an estimated 5% (1) during the twelve-month period ended August 31, 2009.



The stronger performance of Astral's French-language specialty television networks in comparison to the market is mainly due to targeted made-to-measure original programming, favourable ratings, focused sales strategies and optimal inventory management. For the twelve-month period ended August 31, 2009, the French-language speciality television's market share for the adult 25-54 age category increased by approximately 6%, while conventional networks suffered a decrease of approximately 4% in the same age category (2). The Company's Television advertising revenues accounted for 20% of total Television revenues for the year ended August 31, 2009 compared to 22% for the same period last year.

For the fourth quarter of Fiscal 2009, the Television group's operating expenses increased by 5% mainly due to new services launched in Fiscal 2008 and Fiscal 2009 such as HBO Canada and Playhouse Disney, and to a higher proportion of broadcasted live pay-per-view shows with higher programming costs. On a year-to-date basis, the operating expenses increase of 2% is slightly below the revenue increase of 3% over the same period last year.

As a result, the Television EBITDA (3) for the three- and twelve-month periods ended August 31, 2009 increased by 2% and 5% respectively. The EBITDA margin (3) of 34.2% for the quarter is slightly below last year's EBITDA margin (3) of 34.9% and the EBITDA margin (3) of 36.7% for the twelve-month period is slightly above last year's EBITDA margin (3) of 36.1%.

Due to the nature of the Company's activities, the depreciation and amortization expense in the Television segment is relatively stable from one year to another. The increase of $0.7 million and $2.2 million in the Television depreciation and amortization expense for the fourth quarter and for the twelve-month period of Fiscal 2009 respectively, is mainly due to the amortization of capitalized business pre-operating costs for the launch of TELETOON Retro and Playhouse Disney in Fiscal 2008, and for the launch of HBO Canada in Fiscal 2009.

On October 30, 2008, the Company launched HBO Canada, a TMN multiplex channel. Business pre-operating costs related to HBO Canada capitalized in Fiscal 2009 amounted to $6.7 million. The pre-operating period ended in April 2009 and financial performance of HBO Canada are thus included in the results of operations since May 1, 2009. On September 4, 2008, the Company also launched a new French-language specialty service, TÉLÉTOON Rétro (see "Business Developments").

During the third quarter of Fiscal 2009, the Television segment reorganized certain of its operations in MusiquePlus Inc. in order to gain flexibility and efficiency. This restructuring resulted in the departure of a number of employees at all levels of the organization and in restructuring charges, predominantly severance payments, of $0.6 million. These measures will reduce future costs by approximately $1.0 million on an annual basis.

(1) TVB – Time Sales Survey – August 2009.
(2) BBM results, Québec francophone, cumulative average since September 1, 2008.
(3) See "Supplementary Measures".

Radio

(in thousands of $)	3 months 2009	3 months 2008	% Change	12 months 2009	12 months 2008	% Change
Revenues	**76,180**	88,720	-14%	**323,002**	296,302	9%
Operating expenses	**47,573**	51,529	-8%	**212,636**	185,162	15%
EBITDA (1)	**28,607**	37,191	-23%	**110,366**	111,140	-1%
Depreciation and amortization	**2,608**	2,448	7%	**10,138**	8,128	25%
Restructuring charges	**1,076**	–	n/a	**3,767**	–	n/a
	24,923	34,743	-28%	**96,461**	103,012	-6%
EBITDA margin (1)	***37.6%***	*41.9%*	*-10%*	***34.2%***	*37.5%*	*-9%*

On October 29, 2007, Astral completed the acquisition of substantially all of the assets of Standard (see "Business Developments"). The assets acquired have been successfully integrated to Astral's radio business. The fourth quarter of Fiscal 2009 is the third quarter, since the acquisition, for which year-over-year results of operations are compared on a fully organic basis. However, it should be noted that results for the Fiscal 2009 twelve-month period include twelve months of operations of these assets as compared to only ten months in the corresponding period of Fiscal 2008.

The fourth quarter of Fiscal 2009 has been very challenging for advertising sales due to the economic slowdown experienced across Canada. The reduced number of days in the fourth quarter of Fiscal 2009 (-6 days) as compared to the broadcasting calendar of 98 days in the fourth quarter of Fiscal 2008 also contributed to the shortfall. Despite this challenging economic period, Astral Media Radio recorded a revenue decrease in the fourth quarter of Fiscal 2009 of 14% over the same period last year while the overall market in Canada (2) decreased by 18%. On a year-to-date basis, revenues increased by 9% mainly due to the inclusion of the additional two months of operations generated by the assets acquired as part of the Standard Acquisition partly offset by the lower number of days (-6 days) in Fiscal 2009 as compared to the broadcasting calendar of 371 days in Fiscal 2008. On an organic basis (3), Astral's Radio revenues decreased by 5% for the twelve-month period ended August 31, 2009, while the overall market in Canada (2) decreased by 11% as compared to the same period last year. The performance and resiliency of Astral's radio stations in comparison to the market are mainly due to focused sales strategies and key investments in branding and programming that have resulted in favourable ratings.

For the fourth quarter of Fiscal 2009, the Radio group's operating expenses decreased by 8% mainly due to the lower number of days (-6 days) in the fourth quarter of Fiscal 2009 as compared to the broadcasting calendar of 98 days in Fiscal 2008. On a year-to-date basis, operating expenses increased by 15% mainly due to the inclusion of twelve months of operations of the assets acquired as part of the Standard Acquisition compared to only ten months for the same period last year, and to additional investments in marketing and programming to enable its radio stations competing in larger markets, to increase their market share and improve their overall ratings.

This resulted in EBITDA (1) decreases of 23% for the fourth quarter and 1% for Fiscal 2009 (-13% on an organic basis (3)). Astral Media Radio's EBITDA margins (1) of 37.6% and 34.2% for the quarter and the twelve-month period of Fiscal 2009 respectively, are below EBITDA margins (1) of 41.9% and 37.5% for the same periods last year mainly due to the organic revenue decrease encountered in the Fiscal 2009 following the economic slowdown and to additional investments in marketing and programming.

(1) See "Supplementary Measures".

(2) Limited to the footprint where Astral Media Radio operates and excluding September and October 28.

(3) Excluding the impact of two months of operations (September and October 2008) of the assets acquired as part of the Standard Acquisition (see "Business developments").

Due to the nature of the Company's activities, the depreciation and amortization expense in the Radio segment is relatively stable from one year to another. The increase in the depreciation and amortization expense of $0.2 million and $2.0 million for the quarter and the twelve-month period ended August 31, 2009 respectively, is mainly due to higher capital expenditures for infrastructure upgrades during the twelve months of the current fiscal year. The year-to-date increase is also due to the inclusion of the additional two months of operations generated by the assets acquired as part of the Standard Acquisition.

Following the integration of the Standard Acquisition and in order to maintain and enhance the competitive position of its 83 radio stations across Canada, the Company restructured certain of its Radio operations during Fiscal 2009. This restructuring resulted in the departure of a number of employees at all levels of the organization and in restructuring charges of $3.8 million which are predominantly severance payments. These measures are expected to reduce future costs by approximately $3.2 million on an annual basis.

During the fourth quarter of Fiscal 2009, the Company performed its annual impairment tests. Given that the current economic downturn and advertising revenue decline in the radio broadcast industry have resulted in a decrease of the fair value of the Company's Radio broadcast licences, the Company has recorded an impairment charge of $317.5 million, net of a future income tax recovery of $82.0 million, related to its licences acquired from Standard Radio Inc. in Fiscal 2008, and from Telemedia Corporation and Radiomutuel inc. in Fiscal 2003 in Fiscal 2000 respectively.

Outdoor Advertising

	3 months			12 months		
(in thousands of $)	**2009**	2008	% Change	**2009**	2008	% Change
Revenues	**18,349**	21,366	-14%	**69,458**	72,061	-4%
Operating expenses	**8,091**	12,996	-38%	**43,283**	48,416	-11%
EBITDA [1]	**10,258**	8,370	23%	**26,175**	23,645	11%
Depreciation and amortization	**1,379**	1,522	-9%	**6,443**	5,474	18%
	8,879	6,848	30%	**19,732**	18,171	9%
EBITDA margin [1]	***55.9%***	*39.2%*	*43%*	***37.7%***	*32.8%*	*15%*

During Fiscal 2009, Outdoor Advertising launched its new Digital outdoor advertising network in Montreal, the first of its kind in Canada. This Digital network of ten faces is now operational in the Montreal area. Outdoor Advertising recorded a decrease in revenue of 14% in the fourth quarter and 4% for the twelve-month period ended August 31, 2009. The decreases were mainly due to a weak economic environment and the fact that there were fewer days in both the fourth quarter and the Fiscal 2009 (-6 days) as compared to the broadcasting calendar of 98 days in the fourth quarter of Fiscal 2008 and 371 days in Fiscal 2008. This was partially offset by higher revenues in the Ontario market, particularly from the TSF for the twelve-month period.

The decreases of $4.9 million and $5.1 million respectively in operating expenses for the three- and twelve-month periods ended August 31, 2009 are mainly due to lower variable costs which are in line with the lower level of revenues, and to a rigorous cost control plan implemented early in Fiscal 2009 resulting in general cost savings, partly explained by rent and repair cost reductions and lower bad debt expenses.

(1) See "Supplementary Measures".

As a result, EBITDA [1] for the three- and twelve-month periods ended August 31, 2009 increased by $1.9 million and $2.5 million respectively, compared to last year's corresponding periods. This resulted in Outdoor Advertising's EBITDA margins [1] of 55.9% and 37.7% for the quarter and the twelve-month period of Fiscal 2009, respectively.

The depreciation and amortization expense of $1.4 million for the quarter ended August 31, 2009 is slightly below last year's figure. The depreciation and amortization expense increased by $1.0 million during Fiscal 2009 mainly due to the acquisition of assets with respect to the TSF.

Corporate

	3 months			12 months		
(in thousands of $)	**2009**	2008	% Change	**2009**	2008	% Change
Corporate costs	**(3,745)**	(4,907)	-24%	**(18,696)**	(18,450)	1%
Stock-based compensation	**(1,140)**	(1,415)	-19%	**(5,911)**	(6,270)	-6%
Corporate EBITDA [1]	**(4,885)**	(6,322)	-23%	**(24,607)**	(24,720)	–
Depreciation and amortization	**(194)**	(261)	-26%	**(771)**	(1,209)	-36%
	(5,079)	(6,583)	-23%	**(25,378)**	(25,929)	-2%

Lower Corporate EBITDA [1] charges of $1.4 million for the three-month period ended August 31, 2009 compared to the same period last year is essentially due to a timing difference in the recognition of certain corporate costs and to a lower stock-based compensation expense. On a year-to-date basis, total Corporate EBITDA [1] charges are comparable to those of last year. The depreciation and amortization expense for the fourth quarter of Fiscal 2009 is relatively stable compared to last year and $0.4 million below last year's figure for the twelve-month period ended August 31, 2009 mainly due to a lower amortization expense of software licenses.

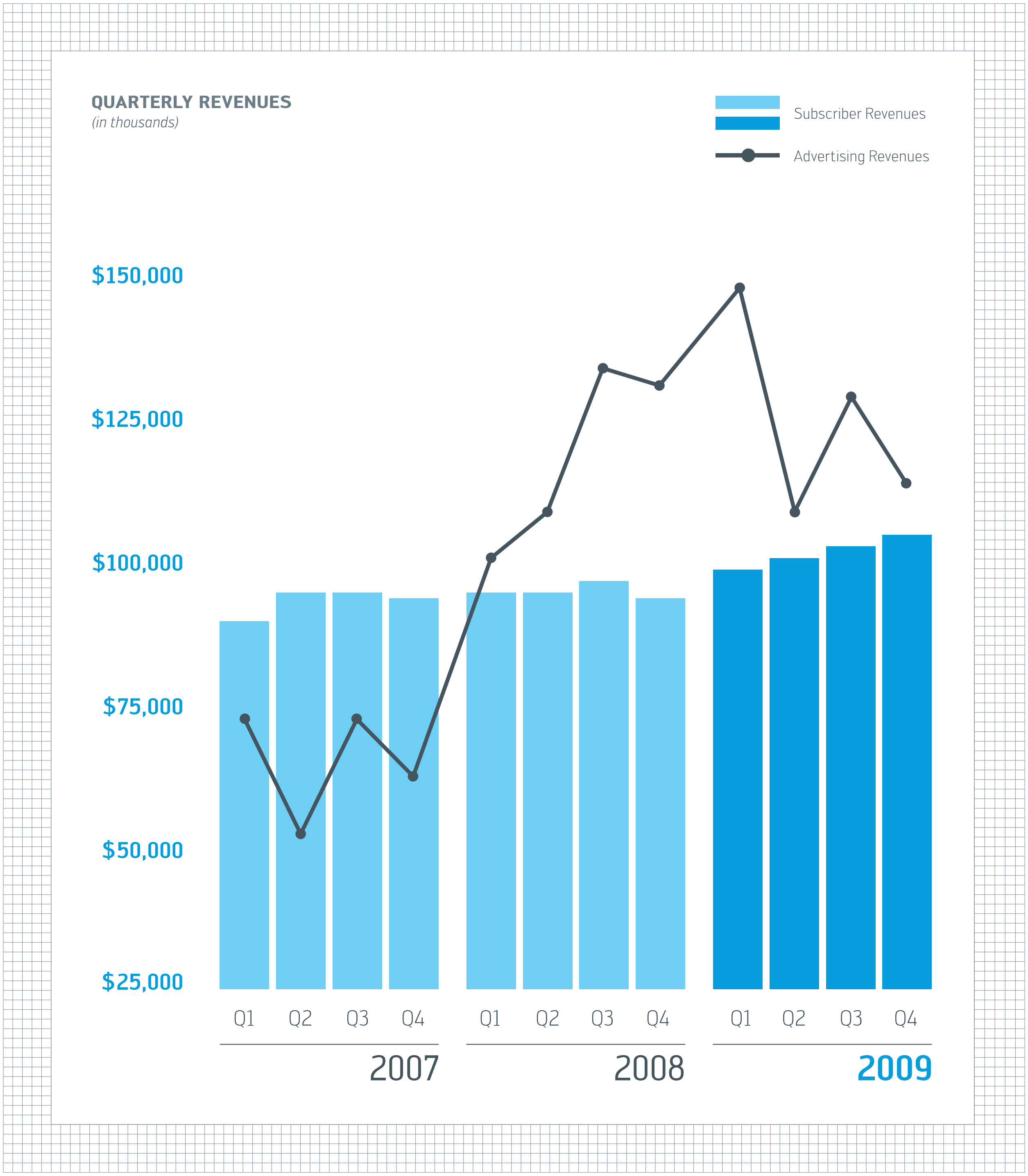
Quarterly Performance

Following the Standard Acquisition and the TSF, and the current economic slowdown affecting the advertising sector, approximately 55% of the Company's revenues in Fiscal 2009 consisted of advertising revenues that tend to follow seasonal patterns, with the second quarter being the least favourable. Subscriber-based revenues, which are more stable on a quarter-to-quarter basis and tend to do better in recessionary periods, represented approximately 45% of the Company's revenues.

It should also be noted that Fiscal 2009 advertising revenue, in all three segments of the Company, was also negatively influenced by the fact that the Fiscal 2008 broadcasting calendar included one additional week, for a total of 53 weeks compared to 52 weeks in Fiscal 2009, most of the difference being in the fourth quarter which included 98 days in 2008 compared to 92 days in 2009.

Operating expenses are generally stable on a quarter-to-quarter basis as they tend to be incurred evenly throughout the year. The resulting quarterly EBITDA margins [1] will therefore tend to vary on the basis of advertising revenue fluctuations. Quarterly performance should therefore be interpreted taking the above factors into consideration, especially in the second quarter.

(1) See "Supplementary Measures".



QUARTERLY REVENUES
(in thousands)
Subscriber Revenues
Advertising Revenues
$150,000
$125,000
$100,000
$75,000
$50,000
$25,000
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
2007
2008
2009

The following table highlights the quarterly performance of the Company's operations for the past eight quarters, reflecting seasonal patterns:

(in thousands of $ except for per-share data)	2008				2009			
	Q1	Q2 [(2)]	Q3	Q4	**Q1**	**Q2**	**Q3**	**Q4 [(3)]**
Revenues	197,704	205,850	231,944	229,872	**244,483**	**209,278**	**232,537**	**219,427**
EBITDA [(1)]	65,451	61,063	82,010	81,054	**79,465**	**61,914**	**82,264**	**76,736**
Net earnings from continuing operations	37,506	28,946	43,204	40,806	**42,362**	**28,947**	**44,303**	**43,852**
Basic EPS from continuing operations	0.69	0.51	0.76	0.72	**0.76**	**0.52**	**0.79**	**0.78**
Diluted EPS from continuing operations	0.68	0.49	0.75	0.72	**0.75**	**0.51**	**0.78**	**0.78**
Net earnings	37,536	28,995	43,282	38,938	**42,362**	**28,947**	**44,303**	**43,852**
Basic EPS	0.69	0.51	0.76	0.69	**0.76**	**0.52**	**0.79**	**0.78**
Diluted EPS	0.68	0.49	0.75	0.68	**0.75**	**0.51**	**0.78**	**0.78**

FINANCIAL CONDITION, CASH FLOWS AND LIQUIDITY

	3 months			12 months		
(in thousands of $)	**2009**	2008	% Change	**2009**	2008	% Change
Cash flow from continuing operations [(1)]	**62,069**	60,055	3%	**216,626**	205,342	5%

	As at August 31		
(in thousands of $)	**2009**	2008	% Change
Cash and cash equivalents (bank overdraft)	**23,100**	(3,644)	n/a
Short-term investments	**–**	9,962	n/a
Total cash and cash equivalents (bank overdraft), and short-term investments	**23,100**	6,318	266%

(1) See "Supplementary Measures".
(2) Before the impact of future income tax rate changes (see "Income Taxes" and "Supplementary Measures").
(3) Before the impact of the impairment of broadcast licences, net of future income tax recovery (see "Impairment of Broadcast Licences and Goodwill").

Cash flow from continuing operations [1] increased by $2.0 million and $11.3 million in the fourth quarter and in Fiscal 2009 respectively as compared to the same periods last year. The increase for the year is the result of an increase in net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries [1] that is mainly explained by the overall growth of the Company's Television subscription-related revenues, and the additional two months of operations of the assets acquired as part of the Standard Acquisition. This is partially offset by the overall decrease in advertising revenues mainly due to the adverse impact of the weak economic environment, and the lower number of days (-6 days) in Fiscal 2009 compared to the broadcasting calendar of 371 days in Fiscal 2008.

The combined balances of the Company's cash, cash equivalents (bank overdraft) and short-term investments increased to $23.1 million as at August 31, 2009 from $6.3 million as at August 31, 2008. This increase is mainly due to the result of $229.3 million of cash provided by the Company's continuing operating activities in the twelve-month period ended August 31, 2009, partially offset by reimbursements of $120.0 million of long-term debt, disbursements of $51.3 million for property, plant and equipment ("Capital Expenditures") and $10.4 million for other non-current assets, dividend payments of $28.1 million and the payment of $2.8 million of post-closing adjustments related to the Standard Acquisition.

The Company's financial condition is among the strongest in the industry. Cash flows from continuing operating activities generate sufficient liquidities to cover its known operating and capital requirements, its renewed normal course issuer bid (see "Financing Activities"), its dividend payments, its debt service, its pension plan obligations and its current and longer term commitments.

The balance sheet as at August 31, 2009 did not vary in a significant manner as compared to August 31, 2008, with the exception of the following: an increase of $16.8 million in combined cash and cash equivalents (bank overdraft) and short-term investments balances as explained above; a decrease of $12.0 million in accounts receivable due to lower revenues in the fourth quarter of Fiscal 2009, as compared to the fourth quarter of Fiscal 2008 (see "Quarterly Performance") and to a higher collection of accounts receivable during the second half of Fiscal 2009; an increase of $17.3 million in net current and long-term program and film rights and obligations mainly due to differences in the timing of those obligations; an increase of $25.5 million in Capital Expenditures mainly due to investments in TSF-related acquisitions and in the new Digital advertising network in the Outdoor Advertising segment; a decrease of $399.5 million in broadcast licences following the recognition of a non-cash impairment charge in the Radio segment; an increase of $53.1 million in future income tax assets as a result of the recognition of an impairment charge in the Radio segment (see "Broadcast Licences and Goodwill" and "Income Taxes" sections); an increase of income taxes payable of $12.2 million mainly due to the difference between the Company's 2009 instalments and the estimated income tax payable at the end of the year; a decrease of $119.3 million in long-term debt mainly due to reimbursements totalling $120.0 million during the twelve-month period ended August 31, 2009 (subsequent to the end of Fiscal 2009, the Company reimbursed an additional $10.0 million of its outstanding long-term debt); and a decrease of $14.2 million in other non-current liabilities mainly due to the transfer from non-current to current of amounts payable under conditions of CRTC licence acquisitions.

(1) See "Supplementary Measures".

The Company's cash flows from continuing operating, investing and financing activities and discontinued operations are summarized in the following table:

(in thousands of $)	3 months 2009	3 months 2008	12 months 2009	12 months 2008
Cash flow from continuing operating activities	**61,524**	55,792	**229,338**	148,990
Discontinued operations	**(63)**	(237)	**(1,677)**	(591)
Cash used in investing activities, excluding variation of short-term investments [1]	**(17,929)**	(21,809)	**(64,449)**	(945,836)
Cash provided by (used in) financing activities	**(58,895)**	(52,420)	**(146,430)**	731,390
Net change in cash, cash equivalents, and short-term investments	**(15,363)**	(18,674)	**16,782**	(66,047)
Cash and cash equivalents, and short-term investments – beginning of period	**38,463**	24,992	**6,318**	72,365
Cash and cash equivalents – end of period	**23,100**	6,318	**23,100**	6,318

Operating Activities

Cash provided by continuing operating activities for the three- and twelve-month periods ended August 31, 2009 increased by $5.7 million and $80.3 million respectively, as compared to the same periods last year. The increase in the fourth quarter of Fiscal 2009 is mainly due to lower working capital requirements of $3.7 million and higher cash flows from continuing operations [1] of $2.0 million.

On a year-to-date basis, the increase in cash flow from continuing operating activities is mainly due to lower working capital requirements of $69.1 million and to higher cash flows from continuing operations [1] of $11.3 million. The higher cash flows from continuing operations [1] is the result of an increase in net earnings from continuing operations before impairment of broadcast licences and income tax recoveries [1] that is mainly explained by the overall growth of the Company's Television subscription-related revenues and the additional two months of operations of the assets acquired as part of the Standard Acquisition. This is partially offset by the previously explained overall decrease in advertising revenues.

Lower working capital requirements in both three- and twelve-month periods ended August 31, 2009 are mainly explained by the higher collection of accounts receivable during the second half of Fiscal 2009, compared to the same period last year.

Investing Activities

Cash used in investing activities during the three- and twelve-month periods ended August 31, 2009, excluding the variation of short-term investments [1], decreased by $3.9 million and $881.4 million respectively as compared to last year's corresponding periods. The decrease of $3.9 million during the fourth quarter of Fiscal 2009 is mainly due to the net cash consideration of $3.0 million paid as part of the Standard Acquisition during the fourth quarter of Fiscal 2008 (see "Business Developments") and to lower Capital Expenditures and additions to other non-current assets of $0.9 million.

(1) See "Supplementary Measures".

On a year-to-date basis, the decrease of $881.4 million in cash used in investing activities, excluding the variation of short-term investments [1], is essentially due to the cash consideration paid for the Standard Acquisition during Fiscal 2008 (see "Business Developments") and is partially offset by higher Capital Expenditures of $15.3 million (see below) and by higher additions to other non-current assets of $7.7 million, which is mainly explained by the Company's investments related to the launch of HBO Canada.

The following table details the capital expenditures by segment:

(in thousands of $)	3 months 2009	3 months 2008	3 months % Change	12 months 2009	12 months 2008	12 months % Change
Capital expenditures						
Television	**2,018**	4,383	-54%	**7,442**	9,832	-24%
Radio	**4,003**	3,154	27%	**9,780**	8,529	15%
Outdoor Advertising	**13,096**	13,128	–	**31,341**	19,723	59%
Corporate	**794**	743	7%	**1,677**	1,283	31%
Total capital expenditures	**19,911**	21,408	-7%	**50,240**	39,367	28%

Capital Expenditures for the three- and twelve-month periods ended August 31, 2009 were $19.9 million and $50.2 million respectively as compared to $21.4 million and $39.4 million spent in the same periods of Fiscal 2008. The most significant Capital Expenditures pertain to TSF-related structures, other outdoor advertising structures, high-definition and other broadcasting equipment, as well as computer hardware and software. The increase in Capital Expenditures in Fiscal 2009 as compared to the same period last year is mainly explained by higher spending for TSF-related structures and to investments in the new Digital outdoor advertising network. The audited consolidated statement of cash flows for the year ended August 31, 2009 includes Capital Expenditures of $3.4 million that were unpaid and therefore excluded as at August 31, 2008 and paid in Fiscal 2009. As at August 31, 2009, $2.3 million of the $50.2 million of Capital Expenditures were unpaid and included in accounts payable and accrued liabilities. Overall Capital Expenditure spending in Fiscal 2010 is estimated to be in the range of $60.0 million to $65.0 million, approximately 50% of which is attributable to the Outdoor Advertising segment, mainly for TSF-related structures and for the new Digital outdoor advertising network (see "Business Segment Performance – Outdoor Advertising" and "Business Developments").

Financing Activities

Cash used in financing activities in the fourth quarter of Fiscal 2009 reached $58.9 million compared to $52.4 million for the same period last year for an increase of $6.5 million. This is mainly due to higher long-term debt reimbursements of $35.0 million and is partially offset by the fact that the Company did not repurchase any shares during the fourth quarter of Fiscal 2009 compared to $28.5 million of shares repurchased during the same period last year. Subsequent to the end of the quarter, the Company reimbursed an additional $10.0 million of its outstanding long-term debt.

(1) See "Supplementary Measures".

Cash used in financing activities for the twelve-month period ended August 31, 2009 reached $146.4 million, while financing activities during the same period last year provided cash in the amount of $731.4 million. This is mainly due to borrowings of $825.0 million by the Company in Fiscal 2008, as part of the financing for the Standard Acquisition (see "Capital Structure"). In addition, the Company made reimbursements of its long-term debt amounting to $120.0 million during Fiscal 2009 compared to reimbursements of $10.0 million in Fiscal 2008. This is partially offset by the fact that the Company did not repurchase any shares during Fiscal 2009 compared to $55.4 million of shares repurchased last year.

On December 9, 2008, the Company announced a renewal of its normal course issuer bid. Under the terms of this renewal, the Company is authorized to repurchase for cancellation up to 2,665,620 Class A shares and 139,234 Class B shares, both quantities representing no more than 5% of the outstanding shares as at November 30, 2008 for their respective class of shares. The share repurchase program is being conducted over a maximum period of 12 months which began on December 15, 2008. For the twelve-month period ended August 31, 2009, in order to maximize the reimbursement of long-term debt, the Company did not repurchase any Class A or Class B shares while 1,616,400 Class A shares were repurchased in the corresponding period last year for a total cash consideration of $55.4 million.

Capital Structure

In the management of capital, the Company includes long-term debt and shareholders' equity (excluding accumulated other comprehensive income (loss)) as well as cash and cash equivalents (bank overdraft), and short-term investments in its definition of capital. The Company's overall capital management objectives are to create shareholder value through organic growth of its operations and through accretive acquisitions, and to maintain the most optimal capital structure in order to minimize its cost of capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust its capital structure, the Company reviews the amount of dividends to be paid to shareholders annually and periodically decides to repurchase shares on the marketplace and/or to reimburse debt.

With respect to the Standard Acquisition, the Company established a $1.0 billion credit facility (the "Facility") with a syndicate of financial institutions, which has been reduced to $870.0 million as at August 31, 2009 following repayments. Subsequent to the end of the current quarter, the Company further reduced the Facility by $10.0 million following an additional repayment. The Facility has a five-year term which started on October 29, 2007 and borrowings under the Facility can be in the form of bankers' acceptances issued, Canadian prime-rate loans, US base-rate loans or LIBOR loans, and bear interest accordingly, plus a premium based on certain financial ratios.

As at August 31, 2009, total borrowings under the Facility amounted to $695.0 million ($815.0 million as at August 31, 2008), excluding $19.3 million of outstanding letters of credit ($19.3 million as at August 31, 2008), and bear a weighted-average interest rate of 3.8% (4.8% as at August 31, 2008), after reflecting the effect of the interest-rate swap agreement described below. The Company fully guarantees the Facility on an unsecured basis and also has a prepayment option without penalty that can be exercised at any time during the term of the Facility. Under the terms of the Facility, the Company has no repayment obligations before October 29, 2012 and is subject to certain financial ratios to comply with. The Company was in compliance with all these financial ratios as at August 31, 2009 and throughout the year.

The Company's joint ventures also have operating revolving credit facilities of $4.5 million (at Astral's proportionate share), which were not used as at August 31, 2009 and August 31, 2008.

Borrowings under the Company's floating rate Facility are subject to interest rate fluctuations. In order to manage the interest-rate risk exposures related to the Facility, on October 29, 2007 the Company entered into an interest-rate swap agreement with a large Canadian bank (the "Agreement") covering part of its long-term debt (see Note 22 a)i) to the audited consolidated financial statements for the year ended August 31, 2009). The Company does not use derivative financial instruments for trading or speculative purposes. The Agreement is based on an initial nominal amount of $750.0 million which is being reduced periodically ($465.0 million as at August 31, 2009) based on a predetermined schedule, until its maturity on May 29, 2012. Under the Agreement, the Company pays interest based on a fixed rate of 4.6% and receives interest based on floating 30-day bankers' acceptances rates. The Company elected to apply cash flow hedge accounting on this derivative financial instrument. Based on the current market value of the derivative financial instrument, an unrealized non-cash loss of $4.3 million ($3.1 million net of income taxes), representing the change in market value since August 31, 2008, has been recorded in the audited consolidated statement of comprehensive income for the year ended August 31, 2009.

Furthermore, interest rate fluctuations could have an impact on the Company's interest income that it earns on its cash, cash equivalents and short-term investments balances. The Company has implemented an investment policy designed to safeguard its capital and generate a reasonable return. The policy sets out the types of investment instruments that are permitted, their concentration and acceptable credit ratings.

Interest rate fluctuations would have an impact on the Company's net loss from continuing operations and other comprehensive income items. A 0.5% interest rate change would have had the following impact for the year ended August 31, 2009:

(in thousands of $)	0.5% increase	0.5% decrease
Impact on net loss from continuing operations of interest rate changes	**(677)**	**677**
Impact on other comprehensive income items due to changes in fair value of derivatives designated as cash flow hedges, net of taxes	**2,300**	**(2,300)**

As at August 31, 2009, the Company's capital structure consisted of shareholders' equity in the amount of $1,165.1 million, and borrowings under the Facility in the amount of $695.0 million less cash and cash equivalents of $23.1 million. The unused portion of the Facility amounted to $155.7 million ($175.0 million less $19.3 million of outstanding letters of credit). As at August 31, 2009, there were no off-balance sheet liabilities. The number of outstanding Class A and Class B shares of the Company increased from a total of 56.0 million shares as at August 31, 2008 to 56.2 million shares as at August 31, 2009, mainly due to the conversion of restricted share units into Class A shares and to the exercise of stock options.

The following table presents additional share information:

Outstanding as at:	September 30, 2009	**August 31, 2009**	August 31, 2008
Class A shares	53,398,933	**53,388,843**	53,200,874
Class B shares	2,784,672	**2,784,672**	2,787,672
Special shares	65,000	**65,000**	65,000
Employee stock options	3,136,847	**3,154,763**	3,104,096
Restricted share units	303,800	**303,800**	329,800

Contractual Obligations

(in thousands of $)	Payments due in Fiscal: 2010	2011/12	2013/14	2015 and after	Total
Long-term debt	–	–	695,000	–	**695,000**
Operating leases	42,582	92,965	91,893	477,089	**704,529**
Pension contribution to defined benefit pension plans (1)	6,199	–	–	–	**6,199**
Other non-current liabilities	–	27,672	19,507	17,017	**64,196**
Total	48,781	120,637	806,400	494,106	**1,469,924**

In the normal course of its operations, the Company has signed agreements, with terms ranging from one to ten years, for the acquisition of program and film rights to be aired on its television services and for the use of trademarks. The acquisition of the rights and related obligations are contingent on the actual delivery of programming and on other contractual terms. In addition to the above $1,470 million of contractual obligations, the amount of program and film rights commitments that are measurable as at August 31, 2009 is estimated at $255.4 million. In addition, under the terms of the Company's agreement with the City of Toronto related to the TSF (see "Business Developments"), the Company is committed to Capital Expenditures estimated at $132.7 million over the remaining 18 years of the contract, of which $14.0 million is estimated to be incurred in Fiscal 2010. These additional commitments are excluded from the amounts presented in the above table.

BUSINESS DEVELOPMENTS

Subsequent to the end of Fiscal 2009, the Company established Canada's first national Digital outdoor advertising network by expanding its innovative technology in Vancouver and Toronto, to complement ten digital boards already operating in Montreal. Vancouver's Digital network consists of nine 10 feet by 34 feet digital faces and the Toronto network currently features three 14 feet by 48 feet digital faces. The national Digital network is expected to be fully operational by early December 2009.

On August 11, 2009, the Canadian Radio-television and Telecommunications Commission (the "CRTC") approved Astral Media Radio's application for a new radio station to serve the Ottawa-Gatineau market. As the licence holder, Astral has committed to investing a minimum of $5.9 million over a period of seven years to support Canadian content development, and the development of Ottawa's French-language community radio.

On July 6, 2009, the Company announced the launch of the NRJ global brand in Québec. On August 24, 2009, the ten radio stations in Québec that comprised the Énergie network became the NRJ network. Astral Media Radio has concluded an agreement with the NRJ Group, the largest radio broadcasting group in France and in 12 countries worldwide, to market the NRJ brand in Québec.

In May, 2009, the Company launched its new Digital outdoor advertising network of ten exceptional faces in Montreal, the first of its kind in Canada. These faces, measuring 14 feet high by 48 feet wide, are unique in that they feature light-emitting diode ("LED") lighting. LED is an advanced technology and has the advantage of outstanding readability, day or night. The new Digital network offers advertisers several unique features that generate enhanced creative content and redefine the way outdoor advertising is used. In addition to being innovative and technologically advanced, the new Digital network can display advertising in rotation 24 hours a day, while eliminating the cost of printing paper or vinyl, as well as installation costs.

(1) Pension contributions to the Company's defined benefit pension plans for Fiscal 2011 and after are not yet determinable but should be of the same magnitude.

In early January 2009, the stations previously known as 95 Crave (95.3 FM) in Vancouver, The Bear (106.9 FM) in Ottawa and Mix 96 (95.9 FM) in Montreal became part of Astral Media's Virgin Radio branded group.

On October 30, 2008, the Company launched HBO Canada, a multiplex channel that is offered to customers who subscribe to The Movie Network. In launching HBO Canada, the Company is in a position to offer Canadians an entertainment and value proposition that sets a new standard for premium television viewing in Canada. HBO Canada is home to new and returning marquee series airing day-and-date with Home Box Office in the U.S. The service also offers more than 200 hours of library titles and first-run HBO original films, comedy specials, documentaries, live concerts and sporting events which were not previously available in Canada. HBO Canada rounds out its offering with Canadian films and series. The service is also offered in high-definition and programming is accessible on demand.

On September 4, 2008, the Company launched TÉLÉTOON Rétro, a new French-language specialty service. TÉLÉTOON Rétro offers a selection of timeless cartoons for everyone who longs for the cartoon characters of their youth.

On October 29, 2007, the Company completed the acquisition of substantially all of the assets of Standard Radio Inc. ("Standard"), consisting of 53 radio stations in 30 markets across Canada, as well as two television stations located in northern British Columbia. Also included in the transaction were the assets of Integrated Media Sales or "IMS" (now known as Astral Media Radio Sales), a national advertising sales organization, and of Sound Source Networks (now known as Orbyt Media), a radio content service provider (the "Standard Acquisition"). The purchase price for the Standard Acquisition was $1.08 billion, plus $6.0 million of acquisition costs and excluded $24.8 million of working capital and other post-closing adjustments, of which $2.8 million was paid during the first quarter of Fiscal 2009 (see Note 2 to the audited consolidated financial statements for the year ended August 31, 2009). The purchase price for the Standard Acquisition is subject to a contingent consideration of an amount of up to $28.4 million, based on the impact on future earnings of a favourable resolution of regulatory matters specified in the agreement. Subsequent to the end of Fiscal 2009, following the resolution of such regulatory matters (see "Part II Licence Fees" in the "Regulated Environment" section), the Company will be required to pay an additional cash consideration estimated to be less than $10.0 million. The additional consideration will be accounted for as an increase of goodwill in the period in which the payment occurs. The assets acquired, liabilities assumed and results of operations have been consolidated since the closing of the transaction.

STRATEGIC INITIATIVES AND OUTLOOK

The Company is involved in a dynamic industry that continues to offer both opportunities and challenges. It operates primarily in the Television, Radio and Outdoor Advertising media sectors, all of which are highly competitive and which are seeing rapid evolution on the technological, regulatory and consumer fronts. While the entire media industry was impacted by the global economic downturn in Fiscal 2009, the Company continued to grow its revenues throughout. The fundamentals underlying the Company's core business remain positive, positioning it for continued growth as the economy is expected to recover in Fiscal 2010. While an economic recovery will impact advertising revenues more directly, opportunities for organic growth also exist through the launch of new services, value-added products, and expansion via acquisitions.

Television

The Television group is looking to continue to increase earnings via subscriber growth and a rebounding in advertising revenues. In Fiscal 2009, the Company launched HBO Canada, a branded multiplex channel that both strengthens The Movie Network's pay-TV offer in the English market with the HBO name, and appropriates one of the world's most valuable consumer television brands. Going forward, the Television group will continue to introduce new derivative value-added and multiplatform products which will leverage its existing television offer. The Company's television brands are developing leading-edge broadband services which extend and build on its consumer relationships in the Internet forum. The on-line arena remains a priority for future product development and revenue growth.

In Fiscal 2010, BBM Canada will introduce a new measurement system called the Portable People Meter ("PPM"), across all of English Canada. This new technology will provide a more accurate picture of what Canadian television viewers actually watch and will allow for better segmentation of audience groups. PPM has been in use in the Québec television market for over 3 years. The use of PPM results may facilitate the development of targeted strategies and may indirectly impact the Television group's results.

Radio

The Radio group expects to sustain earnings in Fiscal 2010, with a rebounding in advertising sales, supported by strong program ratings and a national sales infrastructure. With national radio competition increasing, the Radio group relies on its best-in-class operations to maximize its advertising inventories, improve production, on-air and administrative processes, and most importantly, to leverage its popular programming nationally. In the multi-platform arena, the Radio group is at the forefront in developing and offering content that takes full advantage of the complementarities of the radio and Internet mediums.

Following the Fiscal 2009 launches of the Virgin Radio brand across major Canadian markets and of the NRJ worldwide brand in Québec (the newly re-branded Énergie network), the Radio group will continue to build unique brand experiences on existing properties to create top-rated stations across Canada. And having been granted a new licence to operate a station in the Ottawa-Gatineau market, the Company can move forward with an increased Anglophone presence in that major market. It continues to pursue other opportunities that will expand and complement its existing radio markets.

Outdoor Advertising

Outdoor's TSF operations will continue to favourably impact revenues and earnings in Fiscal 2010. Now a major force in urban street furniture, the Outdoor group will continue to pursue this growth area in other urban centres.

Continuous product innovation underpins the Outdoor group's future growth, as illustrated by the launch, in Fiscal 2009, of Canada's first outdoor advertising digital network. Following the launch of the Montreal Digital network, the Outdoor group will pursue other Digital network opportunities for future expansion. Pursuant to this strategy, on October 15, 2009, the Company announced that it had entered into an agreement to install and operate a network of nine digital outdoor advertising faces in and around Vancouver. It also announced the launch of a network of three digital outdoor advertising faces in Toronto. Strategic and disciplined inventory management, excellent client service, improved occupancy rates and product innovation will continue to drive growth with its traditional outdoor faces.

Corporate

Globally, the Company will focus on re-engineering the organization and will use its branding as leverage in order to help meet future business challenges. Finally, with respect to its cash usage, the Company will continue to focus on reimbursing its bank debt and managing its share buyback program, taking into consideration cash needs, major business developments and opportunities, and their potential impact on shareholder value creation.

RISKS, UNCERTAINTIES AND OPPORTUNITIES

The Company faces a number of risks and uncertainties which, in many cases, also represent opportunities for its businesses. Additional risks and uncertainties, not presently known to the Company, or that the Company does not currently anticipate to be material, may impair the Company's business operations. If any such risks materialize, the Company's business, financial condition and operating results could be adversely affected in a material way.

Acquisitions

The Company may consider making strategic acquisitions in the future. Difficulties in integrating the operations of any acquired or new businesses with Astral's existing operations could arise. An integration process may result in significant challenges, and management may be unable to accomplish such integration successfully. In order to properly plan for and execute such integration, management prepares integration plans with a list of initiatives, implementation dates, associated costs and expected synergies.

Regulated Environment

The Company's Television and Radio broadcasting operations are subject to Federal government regulation, including the *Broadcasting Act (Canada)*, the *Radiocommunications Act (Canada)*, and the regulations thereunder. In addition, Government directions limit the ownership by non-Canadians of voting shares in broadcasting undertakings. The CRTC administers the *Broadcasting Act* and, among other things, grants, amends and renews broadcasting licences, and approves certain changes in corporate ownership and control. The CRTC may also adopt and implement regulations and policies and renders decisions thereunder. Changes in the above legislation or the adoption of new regulations or policies or any new decision by the CRTC could have a material adverse effect on the Company's business, financial condition or operating results.

The CRTC requires Canadian broadcasters to broadcast certain levels of Canadian content. Often, a portion of the production budgets of Canadian programs is financed by Canadian government agencies and incentive programs, such as the Canadian Television Fund, Telefilm Canada and federal and provincial tax credits. There can be no assurance that such financing will continue to be available at current levels, or at all. Reductions or other changes in the policies of Canada or its provinces in connection with their incentive programs could have a material adverse effect on the Company's business, financial condition or operating results.

The Company's Television, Radio and Internet operations rely upon licenses granted under the *Copyright Act (Canada)* (the "Act") in order to make use of the music components of the programming distributed by these undertakings. Under these licenses, the Company is required to pay royalties established by the Copyright Board of Canada. On July 20, 2009, the Minister of Industry Canada launched a national consultation process to modernize the Canadian copyright legislation. Following these consultations, amendments to the Act could be implemented, and Copyright Board decisions could result in the Company's broadcasting undertakings being required to pay new or additional, and potentially retroactive, royalties.

The Company's Outdoor Advertising business is also subject to various government laws and regulations which establish the rights, terms and conditions under which it is entitled to erect its advertising structures. Changes to such laws and regulations may inhibit the Company's ability to keep existing structures or to build new ones on specific sites in the future.

Regulatory Framework and Structural Policy Hearing for Television

In July 2007, the CRTC initiated a review of the regulatory frameworks for broadcast distribution undertakings ("BDUs") and discretionary programming services, and further expanded their scope to include consideration of a fee-for-carriage for over-the-air television signals. Fee-for-carriage would be a new requirement that cable and satellite companies compensate over-the-air broadcasters for the distribution of their local signals. The CRTC issued its determination on October 30, 2008.

The new regulatory framework for BDUs and discretionary programming services, namely pay and specialty services (BPN CRTC 2008-100) responds to the CRTC's objective of reducing regulations to the minimum essential to achieve the objectives of the Broadcasting Act and to rely instead on market forces wherever possible. Most provisions will come into force on August 31, 2011 which coincides with the end of analog over-the-air broadcasting in Canada.

The new framework simplifies and harmonizes the regulation applicable to cable and Direct to Home satellite services ("DTH") undertakings by streamlining the distribution rules, allowing increased packaging flexibility. The CRTC also established simplified rules for the digital and high-definition (HD) transitions. It further modified its approach for complaints that involve allegations of undue preference or disadvantage against a BDU by introducing a reverse onus provision to the benefit of programming services.

The CRTC denied the fee-for-carriage but allowed the over-the-air broadcasters to negotiate payment from BDUs for the retransmission of their local stations as distant signals. The CRTC also increased the BDUs' contribution to the production of Canadian programming from 5% to 6.5% of their revenues; this additional 1.5% contribution comprises a 1% permanent increase and a 0.5% temporary increase. The temporary increase will be reviewed as part of an upcoming proceeding that the CRTC has recently called to obtain additional comments in order to determine if the new contribution is sufficient to support local programming in small markets that were particularly affected by the economic downturn.

The new discretionary services framework modifies the licensing categories of programming services; the analog and Category 1 services become Category A services and the Category 2 services become Category B services. Access rights are maintained for Category A services while no access rights are given to Category B services. The CRTC also increased programming flexibility for discretionary services.

The CRTC maintained the genre exclusivity for Category A services except for mainstream sports and news services. The CRTC is also open to consider increased competition in other existing genres taking into account various criteria including the economic health of existing services and the consequences that might result from the introduction of competition. Once a genre will be opened to competition, the competing services will no longer benefit from access rights.

Starting on September 1, 2009, the CRTC allows BDUs to make use of targeted advertising as long as it is in agreement with a Canadian programming service. The CRTC is also currently considering the possibility for BDUs to take a role in new advertising opportunities in the local availabilities of foreign discretionary services and on the video-on-demand platforms. As part of these consultations, the CRTC is considering a new regulatory framework for video-on-demand services, including the possibility for discretionary services to offer their programming on demand.

The CRTC launched a policy proceeding on July 6, 2009, leading up to a public hearing starting November 16, 2009 to consider a structural review for television including: the modalities and conditions for group-based licence renewals of conventional, pay and specialty services controlled by the same ownership group; clarified revenue support for conventional television, including a negotiated fair market value for local conventional television signals; commitments to Canadian program spending and/or restraint on foreign programming; and a hybrid solution for the transition to digital.

On September 17, 2009, the Government of Canada issued an Order-in-Council requesting the CRTC to hold hearings and provide the government with a report on the implications of implementing a compensation regime for the value of local television signals, more commonly known as fee-for-carriage. In its consultation, the CRTC must take into account the impact of such a regime on consumers and in particular, the impact on affordable access to a variety of local and regional news, information and public affairs programming and how the application of such a regime would impact the various components of the communications industry as it adapts to the new digital environment, including the implications on current and emerging business models. The CRTC announced that it will hold a hearing in December 2009 to examine these issues with dates to be confirmed.

The potential impact of the regulatory framework review and of the structural policy hearing for television on the Company's financial results cannot be determined until a final decision on these matters has been rendered.

Part II Licence Fees

The Canadian Association of Broadcasters (the "CAB"), on behalf of its members, challenged in Court the validity of the Part II licence fees payable annually to the CRTC by television and radio broadcasters, as well as BDUs. In December 2006, the Federal Court ruled that the Part II licence fees were an illegal tax. The Federal Government appealed the Federal Court judgment, and on April 28, 2008, the Appeal Court ruled that the Federal Court mischaracterized the legal test to be applied to distinguish a tax from a regulatory charge and that the fees represented, in fact, administrative costs incurred by the CRTC. On June 27, 2008, the CAB, on behalf of its members, filed an application for leave to appeal the Appeal Court decision to the Supreme Court of Canada (the "SCC"), which application was granted on December 18, 2008. The CRTC confirmed to the CAB that it would not attempt to collect outstanding Part II Fees until the earlier of (i) the Appeal Court decision is affirmed by the SCC; or (ii) the matter is settled between the parties. The Company has been paying or accruing, as the case may be, the Part II licence fees using known rates since the beginning of legal proceedings.

Subsequent to Fiscal 2009, the CAB announced that its Board of Directors, along with other fee-paying stakeholders, approved the terms of a settlement agreement with the Government of Canada pertaining to the Part II Licence Fees issue. The agreement has resulted in the CAB and other named parties discontinuing the legal challenge before the SCC. The agreement provides that fees and interest due to the Government, but not collected by the CRTC due to ongoing litigation issues for the fiscal years 2007, 2008 and 2009, will be waived and that there will not be any recovery of the amounts paid by the stakeholders to the Government for any prior year. Going forward, the Government will be recommending that the CRTC revise the Part II licence fee regime to cap the fees. The revised fee regime will be effective for the fiscal year beginning September 1, 2009 and the Company estimates that it will bring savings, on an annual basis, of approximately $1.5 million.

As at August 31, 2009, the Part II licence fees accrued on the Company's balance sheet amounted to $12.4 million. Following the resolution of this issue, the Company will reverse this entire amount through its consolidated statement of earnings in the first quarter of Fiscal 2010.

Other matters

On October 15, 2008 the CRTC launched a consultation process on Canadian Broadcasting in New Media to review its approach to exempt from regulation, undertakings that provide broadcasting services delivered and accessed over the Internet and television broadcasting services that are received by way of mobile devices. On June 4, 2009 the CRTC released its determination where it confirmed that it was maintaining its approach to exempt new media broadcasting undertakings from regulation. The CRTC also intends to expand the application of the new media exemption order to encompass all internet-based and mobile point-to-point broadcasting services. The CRTC expects to review its exemption order within five years.

On August 26, 2008, the CRTC approved two applications for broadcasting licences to operate new English-language FM radio stations to serve Ottawa and Gatineau, including that of Astral Media Radio for the Eve FM station targeting the coveted female 25-49 year old audience. The CRTC had received multiple competing applications

to serve this region, including an application by Radio de la communauté francophone d'Ottawa ("RCFO") for a French-language community FM radio programming undertaking that was denied. A leave to appeal to the Federal Court of Appeal was then filed by RCFO. RCFO and other parties also filed petitions to the Governor General in Council to have the decision referred back to the CRTC for reconsideration. On November 20, 2008, the Governor General in Council referred the decision back to the CRTC for reconsideration and hearing, and requested the CRTC to fully consider and explain its approach to evaluating the needs of official-language minority communities. On August 11, 2009, the CRTC confirmed its initial decision including the granting of a licence to Astral Media Radio. In addition, the CRTC granted a licence to RCFO to operate a new French-language community FM radio station.

In December 2008, the Copyright Board held a consolidated proceeding to hear five copyright tariff proposals for commercial radio for the calendar years 2008 and beyond. These proposals, from Artisti, AVLA/SOPROQ, CSI, NRCC and SOCAN cover both the performance rights and the reproduction rights. As a member of the CAB, the Company actively participated in this proceeding to oppose any rate increases and propose rate reductions. The potential impact of this proceeding on the Company's financial results cannot be determined until a final decision on this matter has been rendered.

On March 9, 2009, the Minister of Canadian Heritage announced the creation of the Canada Media Fund ("CMF"), an amalgamation of the Canadian Television Fund ("CTF") and the Canada New Media Fund ("CNMF"). The reformed and integrated fund will be fully implemented by April 1, 2010. In order to minimize the disruption of the business cycles of the television and digital media sectors, the CTF and the CNMF will continue to operate under the status quo for the 2009 and 2010 fiscal years. The CMF Board of directors comprises seven independent members, five nominated by the Canadian Coalition for Cultural Expression (CCCE), which includes cable and direct-to-home satellite companies, and two nominated by the department of Canadian Heritage. To ensure that broadcasters, producers and creators are consulted, a new consultation mechanism is to be established by the Board. The realigned fund will focus on drama, comedy and children's programming; it will also support documentaries and variety and performing arts programs. Finally, projects in high definition that have demonstrated the most potential to achieve success in terms of audience and return on investment will be favoured. Applicants will be required to make their projects available across a minimum of two distribution platforms, including television. Independent and broadcaster affiliated producers will both be eligible. The potential impact of the reformed fund on the Company's financial results cannot be determined until the rules for the CMF are developed and implemented.

Management constantly monitors the regulatory environment to identify risks and opportunities resulting from any changes.

New Technologies

Technologies are constantly changing and may have an impact on the Company's operating environment. The Canadian specialty, pay and pay-per-view sector has experienced growth over the past decade due to advances in cable-based delivery systems and the growth of DTH. In addition, advances in digital technology have made a number of innovative products and services possible. These products will continue to fuel growth in digital subscribers, reduce churn and contribute to incremental revenue growth. They include: Video-on-demand, Subscription-video-on-demand, High-Definition television, Personal Video Recorders, Mobile Television, Internet Protocol TV, and Internet television. Additionally, devices like the Apple iTouch / iPhone are creating consumer demand for mobile/portable content. Also, we have seen the growth of game systems (Xbox, PS3) and other consumer electronic devices (including TV sets themselves) that enable broadband delivery of content providing increased flexibility for consumers to view high quality audio/video in the "living room".

The Company has generally demonstrated leadership in its businesses rather than simply reacting to developments by others and it attempts to distinguish itself from its competitors by leveraging new technologies. Consequently, a significant portion of its capital expenditures is aimed at constantly improving the Company's technological capabilities and infrastructures.

Customers and Distributors

The Television group is dependent on BDUs (including cable, DTH and multichannel multipoint distribution systems) for distribution of its television services. There could be a negative impact on revenues if distribution affiliation agreements with BDUs were not renewed on terms and conditions similar to those currently in effect. Affiliation agreements with BDUs have multi-year terms that expire at various points in time. The Company maintains strong relationships with all its distributors and is confident that it can renew its agreements on mutually satisfactory terms and conditions, as has been the case historically.

The majority of the subscriber base for the Company's Television services is reached through a small number of very significant customers, mainly the BDUs. There is always a risk that the loss of an important relationship would have a significant impact on any particular business unit. To mitigate this risk, the Company enters into long-term contracts with its customers. Furthermore, the Company has developed a broad selection of popular pay and specialty services that deliver quality programming. Astral's services have thus become key and highly demanded components of the offerings of all BDUs in the markets they serve.

Revenues

Advertising revenues are subject to fluctuations as a result of changes in the economic environment, the marketplace, new technologies and viewership levels. The Company's business units continually monitor changes in their respective markets and operating environments and adapt their sales strategies and content offerings in order to minimize any adverse effect that the changes may cause.

Subscription revenues are dependent on the number of subscribers and the wholesale rate billed by the Company to BDUs for carriage of the individual services. The extent to which the Company's subscriber bases will grow is uncertain and is dependent upon the ability of BDUs to deploy and expand their digital technologies, their marketing efforts and the packaging of their services' offerings, as well as upon the willingness of subscribers to adopt and pay for the services. By consistently providing a high quality program offering that caters to the needs of its various audiences, the Company is confident in its ability to increase its subscriber bases in the future.

The Company's television broadcast signals are subject to theft and as a result, potential revenue loss. An increase in the number of illegal receivers in Canadian homes could adversely impact the Company's existing revenues and inhibit its capacity to grow its subscriber base. Legal, regulatory, promotional as well as technical measures have been taken, in partnership with BDUs and other industry players, in order to fight signal theft. The Company believes these steps will continue to curtail signal theft and reduce erosion of its subscriber bases.

Competition

From time to time, the CRTC issues new licences for a variety of services. Competitive licences granted to other licensees increase the competition for viewers, listeners, programming and advertising dollars.

In recent years, the Company has launched a number of digital television specialty services and new programming channels, and has been able to limit the impact of competition by delivering strong programming and strengthening its brands. In Radio, the Company recently obtained a new licence to service the Ottawa-Gatineau market (see "Business Developments") and continues to pursue new licences that will expand its business into new markets.

The Company also faces the emergence of new indirect and unregulated competitors (personal video recorders, mobile television, Internet protocol TV, Internet television, satellite radio, cell phone radio, iPods / iTouch / iPhone (see "New Technologies")). The Company does not expect these competitors to have a significant impact on the Company's services over the next few years.

Quality programming is a key factor driving the success of the Company's television and radio services. Increasing competition for popular quality programming can cause prohibitive cost increases that may prevent the Company from renewing supply agreements for specific popular programs or contracts for on-air personalities. The Company maintains strong relationships with studios, producers and performers and continually monitors its markets and audiences to clearly define their needs in order to maintain the overall quality of its program offerings and deliver content that sustains the popularity of its services.

The Canadian outdoor advertising industry is fragmented, consisting of a few large companies, as well as numerous smaller and local companies operating a limited number of display faces in a few local markets. Astral Media Outdoor also competes with other advertising media such as television, radio, print media and Internet.

Economic Conditions

The Company's revenues and operating results are and will continue to be influenced by prevailing general economic conditions. In such cases, purchasers of the Company's advertising inventories may reduce their advertising budgets. In addition, the deterioration of economic conditions could adversely affect payment patterns which could increase the Company's bad debt expense. During an economic downturn, there can be no assurance that the Company's operating results, prospects and financial condition would not be adversely affected. This risk is mitigated by the fact that approximately 45% of the Company's revenues are subscriber-based. These are significantly more stable in an uncertain economic environment. However, the Company cannot forecast the end of the current difficult economic and market conditions, and any continuation or worsening of the current situation could further adversely affect the Company's operating results, prospects and financial condition.

Credit Risk

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument in which the Company is entitled to receive payment fails to perform. Accounts receivable arise mainly from monthly wholesale fees charged to distributors in connection with specialty and pay television subscriptions and from the sales of advertising aired or posted on the Company's Television, Radio and Outdoor Advertising properties.

The Company's credit exposure is higher in the currently weakened global economic environment; however it is difficult to predict the impact this could have on the collection of the Company's accounts receivable balances. To mitigate such risk, the Company performs ongoing customer credit evaluations and takes alternative means to guarantee the amounts due from some of its debtors. Allowances, which are estimated based on historical loss rates adjusted for current events, are monitored by management on an ongoing basis. Accounts receivable are written off against the allowance for doubtful accounts only when the Company believes that an outstanding amount will not be recovered. For the year ended August 31, 2009, the Company recorded allowances for doubtful accounts of $1.8 million in operating expenses on the audited consolidated statement of earnings. Historically, the Company has not suffered any material losses related to credit risk. As at August 31, 2009 and August 31, 2008, no customer represented 10% or more of consolidated accounts receivable. The maximum credit risk to which the Company is exposed is equal to its accounts receivable.

Pension Plan Obligations

Economic conditions could also adversely impact the funding and expense associated with Astral's defined benefit pension plans. There can be no assurance that Astral's pension expense and funding of its defined benefit pension plans will not increase in the future and thereby negatively impact its operating results and financial condition. Defined benefit funding risks may occur if total pension liabilities exceed the total value of the plans' assets. Unfunded differences may arise from lower than expected investment returns, changes in the discount rate used to value pension obligations, and actuarial loss experiences. This risk is mitigated by the fact that Astral has policies and procedures in place to monitor its investment risk and funding position. It is also mitigated by the fact that Astral's defined benefit pension plans are no longer available to new employees.

Broadcast Licences and Goodwill

As disclosed in the Critical Accounting Estimate section, the Company's broadcast licences and goodwill are not amortized but are tested for impairment annually, or more frequently if events or circumstances indicate that it is more likely than not that the broadcast licences and/or goodwill value might be impaired. The fair value of broadcasts licences and goodwill is and will continue to be influenced by assumptions, based on prevailing general economic conditions, used to support the discounted future cash flows calculated by the Company to assess the fair value of its broadcast licences and goodwill. During an economic downturn, there can be no assurance that the Company's broadcasts licences and goodwill value would not be adversely affected following changes in such assumptions. In such circumstances, the Company monitors the value of its broadcasts licences and goodwill on an ongoing basis (see "Impairment of Broadcast Licences and Goodwill").

Tax Matters

In the preparation of its consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates taking into consideration tax rules and regulations, interpretations and legislation that pertain to the Company's activities. In addition, the Company is subject to audits from different tax authorities on an ongoing basis and the outcome of such audits could materially affect the amount of income tax payable or receivable recorded on its consolidated balance sheets and the income tax expense recorded on its consolidated statements of earnings. Any cash payment or receipt resulting from such audits would have an impact on the Company's cash resources available for its operations. In order to mitigate this risk, the Company relies on internal professionals who maintain an up-to-date knowledge base on new developments in the Canadian and provincial income tax laws and their interpretation. In addition, external advisors are involved in the preparation of the Company's income tax returns and in all transactions out of the course of ordinary operations. Management believes that it has sufficient amounts accrued for outstanding income tax matters based on all of the information that is currently available.

Future Financing

The Company is fully funded for its current operations and has access to a credit facility of $870.0 million as at August 31, 2009 (see "Capital Structure") which matures on October 29, 2012. The Company's future growth through acquisitions might require additional bank financing. However, risk factors such as disruptions in the capital markets could reduce the amount of capital available, or increase the cost of such capital, and there can be no assurance that additional financing would be available to the Company or, if available, that it can be obtained on a timely basis and on acceptable terms. Failure to obtain such additional financing, when and if required, could have a material adverse effect on the Company's future growth through acquisitions. This risk is however mitigated by the fact that the Company has access, until October 29, 2012, to the unused portion of its Facility which amounted to $155.7 million as at August 31, 2009 ($175.0 million less $19.3 million of outstanding letters of credits). Also, the Company may finance future capital requirements with internally generated funds.

ACCOUNTING MATTERS

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's significant accounting policies are presented in Note 1 to the audited consolidated financial statements for the year ended August 31, 2009.

New Accounting Policies

The Company's accounting policies were unchanged in Fiscal 2009, with the exception of the adoption of the following new accounting policies:

Effective September 1, 2008, the Company adopted, retroactively without restatement of prior period amounts, the following Canadian Institute of Chartered Accountants' ("CICA") recommendations:

i) Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation*, which together replaced Section 3861, *Financial Instruments – Disclosure and Presentation*. These new sections require additional disclosure of risks associated with both recognized and unrecognized financial instruments and how these risks are managed.

ii) Section 1535, *Capital Disclosures* was also issued and requires disclosure of information of the entity's objectives, policies and processes for managing capital, as well as quantitative data about capital and whether the entity has complied with any externally imposed capital requirements.

iii) The Emerging Issues Committee ("EIC") issued EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, which provides additional guidance on how to measure financial assets and financial liabilities, taking into account the Company's own credit risk and the counterparty credit risk in financial assets and financial liabilities values.

The adoption of Sections 3862, 3863 and 1535 did not have any impact on the Company's consolidated opening balance sheet as at September 1, 2008 nor on the Company's audited consolidated statements of earnings and cash flows for the year ended August 31, 2009. The Company has included the additional disclosures in its audited consolidated financial statements.

The adoption of EIC-173 had the following impact on the September 1, 2008 consolidated opening balance sheet: derivative financial instruments designated as cash flow hedges disclosed as a liability decreased by $0.3 million, long-term future income tax assets decreased by $0.1 million and accumulated other comprehensive loss decreased by $0.2 million. The impact of adopting EIC-173 on the audited consolidated balance sheet as at August 31, 2009 was the following: derivative financial instruments designated as cash flow hedges disclosed as a liability decreased by $0.4 million, long-term future income tax assets decreased by $0.1 million and accumulated other comprehensive loss decreased by $0.3 million. For the year ended August 31, 2009, the adoption of this EIC did not have any significant impact on the audited consolidated statement of earnings.

Future Accounting Changes

The Company believes that the following future CICA recommendations will have an impact on the Company's future financial statements:

i) Section 3064, *Goodwill and Intangible Assets*, was issued and replaced Section 3062, *Goodwill and Other Intangible Assets*, Section 3450, *Research and Development* and EIC-27, *Revenues and Expenditures during the Pre-operating Period*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

ii) Section 1582, *Business Combinations*, was issued and replaced Section 1581, *Business Combinations*. This new section establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed.

iii) Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-controlling Interests*, were issued and together replace Section 1600, *Consolidated Financial Statements*. These new sections establish standards for the preparation of consolidated financial statements and for the accounting of a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company is required to apply Section 3064 in Fiscal 2010 retroactively, with restatement of prior fiscal years. Following the application of this section, the Company will no longer be permitted to capitalize the pre-operating costs of new services or other internally developed assets unless specific criteria are met. Upon adoption of these recommendations effective September 1, 2009, the Company will eliminate the unamortized business pre-operating costs recorded in non-current assets on the consolidated balance sheet as at August 31, 2009, amounting to $9.2 million and their related future income tax liabilities of $3.3 million ($3.4 million and $1.0 million respectively as at August 31, 2008), through the Fiscal 2010 consolidated opening retained earnings. The Company is still assessing whether this section's application will have any other impact on its future consolidate financial statements.

The Company is required to apply Sections 1582, 1601 and 1602 prospectively as of September 1, 2011. Section 1582 is the Canadian equivalent to International Financial Reporting Standard IFRS 3, *Business Combinations*. Section 1602 is the Canadian equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, *Consolidated and Separate Financial Statements*.

The Company is in the process of evaluating the requirements of Sections 1582, 1601 and 1602, and their potential impact on the Company's future consolidated financial statements.

International Financial Reporting Standards

On February 13, 2008, the Canada's Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for publicly accountable profit-oriented enterprises for fiscal years beginning on or after January 1, 2011. After that date, IFRS will replace Canadian GAAP for those enterprises. The Company will thus apply IFRS in Fiscal 2012 and will issue its consolidated financial statements in accordance with IFRS, including Fiscal 2011 comparative figures using the same reporting standards, starting in the first quarter of that fiscal year.

In order to prepare for the transition date on September 1, 2010 (the "Transition Date"), the Company has defined a three-phase transition plan: initial diagnostic assessment, in-depth analysis and implementation. The initial high-level diagnostic is now completed and a preliminary IFRS impact classification has been established. During this first step, IFRS implementation impacts on the Company's consolidated financial statements were assessed as high, moderate or low. In the second phase, the Company is performing a detailed analysis of

IFRS. The review includes an analysis of the differences between IFRS and Astral's current accounting policies to prioritize key impact areas. In the second phase, the Company will also analyse all options permitted under IFRS at the transition date and on an ongoing basis, and conclude on these. Finally, the second phase will identify all internal procedures and systems that have to be updated in order for the Company to comply with IFRS requirements. In the third phase, the Company will implement the accounting changes and the required modifications to internal procedures, controls and systems.

IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosures. In the period leading to the changeover, AcSB will continue to issue new accounting standards that are aligned with IFRS, which will reduce the impact of adopting IFRS on the Transition Date. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period. As a result of the upcoming changes, the final impact of IFRS on the Company's consolidated financial statements can only be determined once all of the IFRS applicable at the Transition Date are known. Based on its initial analysis, the Company has identified the following list of International Accounting Standards pronouncements that differ from Canadian GAAP and that could impact the Company's consolidated financial statements. The list of items should not be seen as exhaustive and is subject to change following completion of our second phase and potential modifications to IFRS prior to adoption by the Company:

i) First-time adoption of IFRS;

ii) Financial statement presentation and disclosure;

iii) Asset impairment;

iv) Employee benefits;

v) Share-based payments;

vi) Property, plant and equipment;

vii) Joint ventures;

viii) Income taxes;

ix) Provisions and contingencies.

The Company has secured the appropriate internal and external resources to complete the changeover plan on a timely basis. Astral will also provide sufficient training sessions to all relevant resources. During the transition, Astral will monitor ongoing changes to IFRS and adjust the transition plan accordingly. Astral's transition status is currently on track with the implementation schedule.

Additional disclosure on the impact of the adoption of IFRS on Astral's consolidated financial statements will be provided in future MD&As.

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The Ontario Securities Commission defines critical accounting estimates as those that require assumptions to be made about matters that are highly uncertain at the time the estimates are determined, and when the use of different reasonable estimates or changes to the accounting estimates would have a significant impact on a company's financial condition or results of operations. Based on this definition, the Company has identified the following critical accounting estimates:

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts to provide for the estimated potential losses that would result from amounts not recovered from customers. The allowance is reviewed periodically and is based on an analysis of specific significant accounts outstanding, the age of the receivable, customer credit worthiness, and historical collection experience.

Accrued Liabilities and Contingencies

Accrued liabilities, including those related to retroactive regulatory rulings, legal issues and other contingencies, are established on the basis of management's best estimate of the probable outcome and resolution of these matters. While management believes that these accrued liabilities are adequate, the use of different assumptions or estimates could have a significant impact on the Company's results of operations and financial condition.

Impairment of Long-lived Assets

Long-lived assets, comprising property, plant and equipment, outdoor advertising license fees, customer relationships, business pre-operating costs and other deferred charges, are tested for impairment whenever there have been events or circumstances that indicate that their carrying value may not be recoverable. If the carrying value of a long-lived asset intended for use exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition, an impairment charge is recognized as depreciation or amortization expense, measured as any excess of the carrying value over the fair value.

Broadcast Licences and Goodwill

Broadcast licences and goodwill are not amortized but are tested for impairment annually, or more frequently if events or circumstances indicate that it is more likely than not that their value might be impaired. The impairment test for broadcast licences consists of comparing their carrying amount to their fair value. An impairment charge, if any, representing the excess of the carrying amount over the fair value is recognized on the consolidated statements of earnings. The impairment test for goodwill is carried out in two steps. First, when the fair value of a reporting unit exceeds its carrying amount, no impairment charge is recognized and the second step is not required. If required, the second step consists of allocating the fair value of the reporting unit to its identifiable assets and liabilities in order to determine the implied fair value of goodwill. If the carrying value of goodwill exceeds its fair value, an impairment charge representing the excess is recognized for the difference on the consolidated statements of earnings. The Company uses the discounted future cash flows method to assess the fair value of its broadcast licences and reporting units (see "Broadcast Licences and Goodwill" section).

Income Taxes

In the preparation of its consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates taking into consideration tax rules and regulations, interpretations and legislation that pertain to the Company's activities. The Company is also subject to audits from different tax authorities on an ongoing basis and the outcome of such audits could materially affect the amount of income tax payable or receivable recorded on its consolidated balance sheets and the income tax expense recorded on its consolidated statements of earnings. The Company has to estimate the outcome of such audits and it believes that it has sufficient amounts accrued for outstanding income tax matters based on all of the information that is currently available. In addition, the Company accounts for income taxes using the liability method. Under this method, future income tax assets and liabilities are determined by reference to the temporary differences between the carrying values and the tax basis of assets and liabilities. The future income tax assets and liabilities are measured using the income tax rates that are expected to apply when these differences are expected to be recovered or settled. Future income tax assets are recognized to the extent that realization of such assets is considered more likely than not. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in earnings in the period that includes the substantive enactment date of the change.

Employee Future Benefits

The Company has two voluntary defined benefit pension plans (the "Plan") which are no longer available to new employees. The Company ensures that contributions are sustained at a level sufficient to cover future benefits. Key assumptions include the discount rate, the expected long-term rate of return on Plan assets and the rate of salary escalation, all of which are disclosed in Note 19 to the audited consolidated financial statements for the year ended August 31, 2009.

In addition, the Company has a Supplementary Executive Retirement Plan (the "SERP") to provide supplemental pension benefits to certain key executives. The SERP is not funded, except in the case of a change of control of the Company, and benefits are paid as required. Key assumptions include the discount rate and the rate of salary escalation, all of which are disclosed in Note 19 to the audited consolidated financial statements for the year ended August 31, 2009.

The Company also has a non-pension post-retirement benefit plan, which provides health benefits and dental care to certain employees who were hired as part of the Standard Acquisition. Key assumptions include the discount rate, and the health and dental care cost trend rate, all of which are also disclosed in Note 19 to the audited consolidated financial statements for the year ended August 31, 2009.

The discount rate assumption used to calculate the present value of the Company's employee future benefits plans' projected benefit payments was determined using a measurement date of June 30, 2009 and is based on yields of long-term high-quality fixed income investments. The expected long-term rate of return on pension plan assets was obtained by calculating a weighted-average rate based on targeted asset allocations of the plans. The expected returns of each asset class are based on a combination of historical performance analysis and forward-looking views of the financial markets. The targeted asset allocation of the plans is generally 60% for equity and 40% for fixed income securities. The rate of salary escalation is used to project current plan earnings in order to estimate pension benefits at future dates. This assumption was determined on the basis of market data obtained from independent sources. The Company believes that the assumptions are reasonable based on information currently available, but changes to these assumptions could impact the employee future benefits expenses and obligations recognized in future periods.

Stock-based Compensation

The Company has an employee stock option plan, a restricted share unit plan and a deferred share unit plan, which are described in Note 12.c) to the audited consolidated financial statements for the year ended August 31, 2009. The Company accounts for stock-based compensation using the fair value method of accounting for stock options granted after September 1, 2003 and for all restricted share units granted. The intrinsic value method is used to account for deferred share units granted. Stock-based compensation costs are recorded in operating expenses on the consolidated statements of earnings, and credited to contributed surplus on the consolidated balance sheets for the stock option plan and the restricted share unit plan, and to accounts payable and accrued liabilities for the deferred share unit plan.

Inter-company and Related-party Transactions

Inter-company and related-party transactions and balances between companies and divisions owned by the Company are eliminated upon consolidation for subsidiaries and on a pro rata basis for joint ventures. There are no other significant related-party transactions to report.

SUPPLEMENTARY MEASURES

In addition to discussing earnings measures in accordance with GAAP, this MD&A provides the following supplementary measures which are also factors used by management in monitoring and evaluating the performance of the Company and its business segments:

EBITDA (earnings before interest, taxes, depreciation and amortization) is provided to assist investors in determining the ability of the Company to generate cash flow from operating activities and to cover financial charges. Other items such as restructuring charges and the impairment of broadcast licences are excluded from earnings in the determination of EBITDA as they are not considered to be in the ordinary course of business. EBITDA is also an indicator widely used for business valuation purposes. EBITDA margin is defined as the ratio obtained by dividing EBITDA by revenues.

The following table reconciles GAAP measures disclosed in the consolidated statements of earnings for the periods ended August 31, 2009 and 2008 to EBITDA:

	3 months		12 months	
(in thousands of $)	**2009**	2008	**2009**	2008
Earnings (loss) from continuing operations before income taxes	**(338,834)**	63,567	**(167,951)**	229,301
Impairment of broadcast licences	**399,459**	–	**399,459**	–
Depreciation and amortization	**7,057**	6,386	**27,520**	22,812
Interest expense, net	**7,978**	11,101	**36,968**	37,465
Restructuring charges	**1,076**	–	**4,383**	–
EBITDA	**76,736**	81,054	**300,379**	289,578

Earnings from continuing operations before income taxes, excluding impairment of broadcast licences. This measure provides an indication of the Company's ability to generate earnings and cash flows from its ongoing operations, by excluding the impact of the non-cash impairment of broadcast licences.

The following table reconciles GAAP measures disclosed in the consolidated statements of earnings for the periods ended August 31, 2009 and 2008 to earnings from continuing operations before income taxes, excluding impairment of broadcast licences:

	3 months		12 months	
(in thousands of $)	**2009**	2008	**2009**	2008
Earnings (loss) from continuing operations before income taxes	**(338,834)**	63,567	**(167,951)**	229,301
Impairment of broadcast licences	**399,459**	–	**399,459**	–
Earnings from continuing operations before income taxes, excluding impairment of broadcast licences	**60,625**	63,567	**231,508**	229,301

Net earnings and basic earnings per share from continuing operations before impairment of broadcast licences and future income tax recoveries. These measures provide an indication of the Company's ability to generate earnings and cash flows from its ongoing operations, by excluding the non-cash future income tax recovery or expense resulting from income tax rate changes over which the Company has no control and the impact of the non-cash impairment of broadcast licences.

The following tables reconcile GAAP measures disclosed in the consolidated statements of earnings for the periods ended August 31, 2009 and 2008 to net earnings and basic earnings per share from continuing operations, before impairment of broadcast licences and future income tax recoveries:

	3 months		12 months	
(in thousands of $)	**2009**	2008	**2009**	2008
Net earnings (net loss) from continuing operations	**(273,637)**	40,806	**(158,025)**	178,721
Impairment of broadcast licences	**399,459**	–	**399,459**	–
Future income tax recovery resulting from impairment of broadcast licences	**(81,970)**	–	**(81,970)**	–
Future income tax recovery resulting from income tax rate changes	**–**	–	**–**	(28,259)
Net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries	**43,852**	40,806	**159,464**	150,462

	3 months		12 months	
(in dollars)	**2009**	2008	**2009**	2008
Basic earnings (loss) per share from continuing operations	**(4.87)**	0.72	**(2.82)**	3.18
Impairment of broadcast licences	**7.11**	–	**7.12**	–
Future income tax recovery resulting from impairment of broadcast licences	**(1.46)**	–	**(1.46)**	–
Future income tax recovery resulting from income tax rate changes	**–**	–	**–**	(0.51)
Basic earnings per share from continuing operations before impairment of broadcast licences and future income tax recoveries	**0.78**	0.72	**2.84**	2.67

Cash flow from continuing operations is defined as cash flow from continuing operating activities before the net change in non-cash operating items. This measure provides an indication of the Company's ability to generate cash flows without considering certain timing and other factors causing variations in non-cash operating items.

The following table reconciles GAAP measures disclosed in the consolidated statements of cash flows for the periods ended August 31, 2009 and 2008 to cash flow from continuing operations:

	3 months		12 months	
(in thousands of $)	**2009**	2008	**2009**	2008
Cash flow from continuing operating activities	**61,524**	55,792	**229,338**	148,990
Net change in non-cash operating items	**545**	4,263	**(12,712)**	56,352
Cash flow from continuing operations	**62,069**	60,055	**216,626**	205,342

Cash used in investing activities, excluding net variation of short-term investments provides an indication of the Company's use of cash flows for the acquisition of long-term assets. Also, the Company does not consider the variation of short-term investments as investing activities as they can be cashed on demand to meet future financial obligations.

The following table reconciles GAAP measures disclosed in the consolidated statements of cash flows for the periods ended August 31, 2009 and 2008 to cash used in investing activities, excluding net variation of short-term investments:

	3 months		12 months	
(in thousands of $)	**2009**	2008	**2009**	2008
Cash and cash equivalents used in investing activities	**(17,929)**	(31,771)	**(54,487)**	(904,670)
Net variation of short-term investments	**–**	9,962	**(9,962)**	(41,166)
Cash used in investing activities, excluding net variation of short-term investments	**(17,929)**	(21,809)	**(64,449)**	(945,836)

The above supplementary measures do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and its Senior Vice-President and Chief Financial Officer are responsible for designing and maintaining the Company's disclosure controls and procedures ("DC&P"). They are assisted in this responsibility by the Disclosure Committee ("DC") which is composed of senior managers of the Company. The DC requires that it be fully apprised of any material information affecting the Company so that it may evaluate and discuss this information and determine the appropriateness and timing of its public information releases.

The President and Chief Executive Officer and the Senior Vice-President and Chief Financial Officer have supervised management's evaluation of the effectiveness of the Company's DC&P, as defined in National Instrument 52-109. As at August 31, 2009, they have concluded that the Company's DC&P are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them to ensure that such information required to be disclosed in the Company's filings is recorded, processed and reported on a timely basis.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has designed internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with GAAP in its consolidated financial statements.

The President and Chief Executive Officer and the Senior Vice-President and Chief Financial Officer of the Company have supervised the evaluation of the design and effectiveness of the Company's ICFR, as per National Instrument 52-109 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the document entitled Internal Control – Integrated Framework. Based on the evaluations, they have concluded that ICFR is adequate and effective to provide such reasonable assurance, as at August 31, 2009.

The President and Chief Executive Officer and the Senior Vice-President and Chief Financial Officer have also evaluated whether there were changes in the Company's ICFR in the quarter ended August 31, 2009, that have materially affected, or are reasonably likely to materially affect its ICFR. No such changes were identified through their evaluation. There were no material weaknesses identified in the evaluation of the design and effectiveness of DC&P and of ICFR.

Management's Responsibility for Financial Information

The accompanying consolidated financial statements of Astral Media Inc. and all the information in this Annual Report are the responsibility of management.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). When alternative methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgment. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Annual Report and has ensured that it is consistent with that in the consolidated financial statements.

The Company has designed and maintains disclosure controls and procedures ("DC&P") as well as high quality systems of internal control over financial reporting ("ICFR") consistent with reasonable cost. Such controls are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Company's assets are appropriately accounted for and adequately safeguarded. As at August 31, 2009, the President and Chief Executive Officer and the Senior Vice-President and Chief Financial Officer of the Company, after supervising and participating in the evaluation of the effectiveness of the Company's DC&P and ICFR, have concluded that they are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them and disclosed, that the Company's financial reporting is reliable and its consolidated financial statements are in compliance with GAAP.

The Board of Directors ("the Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out these responsibilities principally through the Audit Committee ("the Committee") which consists of four independent directors who are appointed by the Board and are also unrelated to the Company. The Committee meets periodically with management as well as with the independent external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee reviews the consolidated financial statements and the external auditors' report thereon and reports its findings to the Board for consideration when the Board approves the consolidated financial statements for issuance to the Company's shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditors. The external auditors have full and free access to the Committee.

On behalf of the shareholders, the consolidated financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. Their opinion is presented hereafter.

Ian Greenberg
President and Chief Executive Officer

Claude Gagnon, CA
Senior Vice-President and Chief Financial Officer

Montréal (Québec)
October 9, 2009

Auditors' Report

To the Shareholders of Astral Media Inc.

We have audited the consolidated balance sheets of Astral Media Inc. as at August 31, 2009 and 2008 and the consolidated statements of earnings, retained earnings, comprehensive income and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Ernst & Young LLP[1]
Chartered Accountants

Montréal (Québec)
October 9, 2009

(1) CA auditor permit no. 15859

Consolidated Balance Sheets

as at August 31

(in thousands of Canadian dollars)	Notes	2009	2008
ASSETS			
Current			
Cash and cash equivalents	17	**$ 23,100**	$ –
Short-term investments	4	**–**	9,962
Accounts receivable		**143,803**	155,841
Income taxes receivable		**–**	919
Program and film rights		**92,545**	79,305
Prepaid expenses and other current assets		**28,273**	28,954
		287,721	274,981
Program and film rights		**61,219**	69,502
Other non-current assets	5	**52,828**	47,751
Property, plant and equipment	6	**158,960**	133,484
Broadcast licences	7	**1,408,037**	1,807,496
Goodwill	8	**356,945**	356,945
Future income tax assets	16	**79,522**	26,448
		$ 2,405,232	$ 2,716,607
LIABILITIES			
Current			
Bank overdraft	17	**$ –**	$ 3,644
Accounts payable and accrued liabilities		**138,771**	129,906
Income taxes payable		**12,191**	–
Program and film rights payable		**58,220**	64,060
Future income tax liabilities	16	**4,481**	5,951
		213,663	203,561
Long-term debt	9	**692,761**	812,074
Future income tax liabilities	16	**246,098**	254,912
Other non-current liabilities	10	**64,196**	78,445
Derivative financial instruments	22	**22,377**	18,374
Liabilities of discontinued operations	11	**1,071**	2,748
		1,240,166	1,370,114
SHAREHOLDERS' EQUITY			
Capital stock	12	**753,028**	748,121
Contributed surplus	13	**17,068**	14,409
Retained earnings		**411,079**	597,188
Accumulated other comprehensive loss	14	**(16,109)**	(13,225)
		394,970	583,963
		1,165,066	1,346,493
		$ 2,405,232	$ 2,716,607

Subsequent Event (Note 24).
Commitments and contingencies (Note 18).
See accompanying notes.

On behalf of the Board:

Ian Greenberg
Director

André Bureau
Director

Consolidated Statements of Earnings

for the years ended August 31

(in thousands of Canadian dollars except for per-share data)	Notes	2009	2008
Revenues		**$ 905,725**	$ 865,370
Operating expenses		**605,346**	575,792
		300,379	289,578
Depreciation		**24,764**	21,617
Amortization of intangible assets		**2,756**	1,195
Interest expense, net	15	**36,968**	37,465
Restructuring charges	20	**4,383**	–
		231,508	229,301
Impairment charge on broadcast licences	7	**399,459**	–
Earnings (loss) from continuing operations before income taxes		**(167,951)**	229,301
Income tax provision before undernoted	16	**72,044**	78,839
Future income tax recovery resulting from impairment charge on broadcast licences	7, 16	**(81,970)**	–
Future income tax recovery resulting from income tax rate changes	16	**–**	(28,259)
		(9,926)	50,580
Net earnings (net loss) from continuing operations		**(158,025)**	178,721
Net loss from discontinued operations	11	**–**	(1,711)
Net earnings (net loss)		**$ (158,025)**	$ 177,010
Earnings (loss) per share from continuing operations	12		
– Basic		**$ (2.82)**	$ 3.18
– Diluted		**$ (2.82)**	$ 3.12
Earnings (loss) per share	12		
– Basic		**$ (2.82)**	$ 3.15
– Diluted		**$ (2.82)**	$ 3.09

See accompanying notes.

Consolidated Statements of Cash Flows

for the years ended August 31

(in thousands of Canadian dollars)	Notes	2009	2008
Cash and cash equivalents provided by (used for):			
OPERATING ACTIVITIES			
Net earnings (net loss) from continuing operations		**$ (158,025)**	$ 178,721
Non-cash charges (credits):			
Depreciation and amortization		**27,520**	22,812
Stock-based compensation	12, 13	**5,912**	6,270
Impairment charge on broadcast licences	7	**399,459**	–
Future income tax expense (recovery) net before undernoted	16	**(61,564)**	22,715
Future income tax recovery resulting from income tax rate changes	16	**–**	(28,259)
Imputed interest on other non-current liabilities	15	**2,637**	2,507
Amortization of deferred financing costs		**687**	576
		216,626	205,342
Net change in non-cash operating items	17	**12,712**	(56,352)
Cash flow from continuing operating activities		**229,338**	148,990
DISCONTINUED OPERATIONS	11	**(1,677)**	(591)
INVESTING ACTIVITIES			
Short-term investments – purchased		**–**	(9,962)
Short-term investments – cashed		**9,962**	51,128
Additions to property, plant and equipment		**(51,304)**	(35,995)
Additions to other non-current assets		**(10,358)**	(2,685)
Business acquisition, net of cash acquired	2	**(2,787)**	(907,156)
		(54,487)	(904,670)
FINANCING ACTIVITIES			
Deferred financing costs	9	**–**	(2,835)
Increase in long-term debt	2, 9	**–**	825,000
Repayment of long-term debt	9	**(120,000)**	(10,000)
Shares repurchased	12	**–**	(55,416)
Stock options exercised	12	**1,654**	3,182
Dividends		**(28,084)**	(28,541)
		(146,430)	731,390
Net change in cash and cash equivalents		**26,744**	(24,881)
Cash and cash equivalents (bank overdraft) – beginning of year		**(3,644)**	21,237
Cash and cash equivalents (bank overdraft) – end of year	17	**$ 23,100**	$ (3,644)

See accompanying notes and supplementary cash flow information (Note 17).

Consolidated Statements of Retained Earnings

for the years ended August 31

(in thousands of Canadian dollars)	Notes	2009	2008
Retained earnings – beginning of year		**$ 597,188**	$ 481,492
Net earnings (net loss)		**(158,025)**	177,010
Dividends		**(28,084)**	(28,541)
Shares repurchased – excess of purchase price over carrying value	12	**–**	(32,773)
Retained earnings – end of year		**$ 411,079**	$ 597,188

See accompanying notes.

Consolidated Statements of Comprehensive Income

for the years ended August 31

(in thousands of Canadian dollars)	Notes	2009	2008
Net earnings (net loss)		**$ (158,025)**	$ 177,010
Other comprehensive loss			
Change in fair value of derivatives designated as cash flow hedges (net of income taxes of $1.2 million and $6.9 million respectively)	14	**(3,108)**	(17,121)
Comprehensive income (loss)		**$ (161,133)**	$ 159,889

See accompanying notes.

Notes to Consolidated Financial Statements

for the years ended August 31, 2009 and 2008

Astral Media Inc. ("Astral" or the "Company") is incorporated under the *Canada Business Corporations Act* and its shares are traded on the Toronto Stock Exchange. Its activities consist primarily of specialty, pay and pay-per-view television broadcasting, radio broadcasting and outdoor advertising.

1. Accounting Policies

a) Basis of Presentation

These consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates. These consolidated financial statements should be read in conjunction with the 2009 Management's Discussion and Analysis ("MD&A"). All amounts herein are expressed in Canadian dollars.

Certain comparative figures have been reclassified to conform with the basis of presentation adopted in Fiscal 2009.

b) Principles of Consolidation

The consolidated financial statements include the accounts of Astral Media Inc. and its wholly-owned subsidiaries, as well as its proportionate share of assets, liabilities, revenues, expenses and cash flows of joint ventures. All inter-company transactions and balances are eliminated on consolidation for subsidiaries and on a pro-rata basis for joint ventures.

c) Accounting Changes

Effective September 1, 2008, the Company adopted, retroactively without restatement of prior period amounts, the following Canadian Institute of Chartered Accountants' ("CICA") recommendations:

i) Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation*, which together replaced Section 3861, *Financial Instruments – Disclosure and Presentation*. These new sections require additional disclosure of risks associated with both recognized and unrecognized financial instruments and how these risks are managed (see Note 22).

ii) Section 1535, *Capital Disclosures* was also issued and requires disclosure of information of the entity's objectives, policies and processes for managing capital, as well as quantitative data about capital and whether the entity has complied with any externally imposed capital requirements (see Note 23).

iii) The Emerging Issues Committee ("EIC") issued EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, which provides additional guidance on how to measure financial assets and financial liabilities, taking into account the Company's own credit risk and the counterparty credit risk in financial assets and financial liabilities values.

The adoption of Sections 3862, 3863 and 1535 did not have any impact on the Company's consolidated opening balance sheet as at September 1, 2008, nor on the Company's consolidated statements of earnings and cash flows for the year ended August 31, 2009. The Company has included the required additional disclosures in its consolidated financial statements (see Notes 22 and 23).

The adoption of EIC-173 had the following impact on the September 1, 2008 consolidated opening balance sheet: derivative financial instruments designated as cash flow hedges disclosed as a liability decreased by $0.3 million, long-term future income tax assets decreased by $0.1 million and accumulated other comprehensive loss decreased by $0.2 million (see Note 14). The impact of adopting EIC-173 on the consolidated balance sheet as at August 31, 2009 was the following: derivative financial instruments designated as cash flow hedges disclosed as a liability decreased by $0.4 million, long-term future income tax assets decreased by $0.1 million and accumulated other comprehensive loss decreased by $0.3 million. For the year ended August 31, 2009, the adoption of this EIC did not have any significant impact on the consolidated statement of earnings.

d) Revenue Recognition

The Company earns revenue from several sources. Revenue recognition policies are as follows:

i) Monthly wholesale fees charged to distributors in connection with specialty and pay television subscriptions are recorded as revenue on a pro-rata basis over the month;

ii) Advertising revenue is recorded in the months that advertising airs on the Company's radio and television stations or appears on the Company's advertising panels, street furniture equipments and web sites; and,

iii) Revenue from pay-per-view television sales and other transactional sales is recorded as the services or products are provided.

e) Financial Instruments

The Company uses the following classifications and policies with respect to the recognition and measurement of financial instruments:

i) Cash and cash equivalents are classified as "Financial Assets Held for Trading". These financial assets are marked to market through the consolidated statements of earnings at each period end.

ii) Short-term investments are classified as "Held-to-maturity Investments". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method through the consolidated statements of earnings.

iii) Accounts receivable are classified as "Loans and Receivables". After their initial fair value measurement, these financial assets are measured at amortized cost using the effective interest rate method through the consolidated statements of earnings.

iv) The bank overdraft, accounts payable and accrued liabilities, short-term and long-term program and film rights payable, long-term debt, other non-current liabilities and liabilities of discontinued operations are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method through the consolidated statements of earnings.

v) Transaction costs, other than those related to financial assets and liabilities held for trading, are added to the carrying amounts of the related financial assets and liabilities on the consolidated balance sheet.

1. Accounting Policies (continued)

f) Hedge Accounting

In accordance with its risk management strategy (see Note 22.a)i)), the Company uses derivative financial instruments to manage its interest rate exposures in connection with its bank credit facility (see Note 9). As at August 31, 2009 and 2008, the derivative financial instrument consisted of an interest-rate swap agreement. The Company has elected to apply hedge accounting to this agreement and treats this derivative financial instrument as a cash flow hedge. Under cash flow hedge accounting, derivative financial instruments are marked to market at each period end and unrealized gains or losses are recognized in the consolidated statements of comprehensive income to the extent the hedging relationship is effective. Net payments due or receivable in connection with the derivative financial instruments are recorded as adjustments to interest expense on long-term debt in the consolidated statements of earnings.

The Company formally documents and assesses the nature of any relationship between a hedging instrument and a hedged item, both at the hedge's inception and on an ongoing basis. The Company also documents and assesses whether a derivative financial instrument that is used in a hedging transaction is effective in offsetting changes in the fair value or cash flows of a hedged item. The Company does not use derivative financial instruments for trading or speculative purposes.

A hedging relationship is terminated if the hedge ceases to be effective, at which time any unrealized gain or loss on the derivative financial instrument is recognized in the consolidated statements of earnings over the period ending when the related hedged item ceases to exist. Subsequently, the related derivative financial instrument is recorded at fair value on the consolidated balance sheets and changes in its fair value are recognized in the consolidated statements of earnings.

g) Earnings (Loss) per Share

Basic earnings (loss) per share amounts are calculated using the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are calculated under the treasury stock method, using the weighted average number of shares that would have been outstanding had the relevant outstanding dilutive securities been exercised or converted at the beginning of the year, or at their respective grant dates, if later. The "if-converted" method is used with regards to the Company's Special shares (see Note 12), under which such shares are assumed to have been converted to Class B subordinate voting shares at the beginning of the year.

h) Cash and Cash Equivalents

Cash and cash equivalents include investments with an original maturity term of less than 90 days from the date of acquisition. Cash equivalents are highly liquid investments.

i) Short-term Investments

Short-term investments include investments with an original maturity term of 90 to 365 days from the date of acquisition. Short-term investments are carried at the amortized cost using the effective interest rate method and are written down to fair value if there is an other than temporary impairment.

j) Program and Film Rights

Program and film rights are purchased on a fixed or variable cost basis. The asset and liability for fixed cost purchases are recognized at the time the rights are known and determinable, and if they are available for airing. The asset is classified as either a current or non-current asset based on the availability period. The related liability is classified as either current or non-current based on contract payment terms. The cost of fixed program and film rights is expensed over the lesser of the availability period and a maximum period that varies depending upon the type of program, generally ranging from 12 to 36 months. Program rights acquired on a variable cost basis are not capitalized and their cost is determined and expensed over their contracted exhibition period, on the basis of the average number of subscribers to the network exhibiting the program and of other contractual terms.

Investments in programs and films to be produced by a third party are recorded as the Company's obligations are incurred and are carried at the lower of cost and estimated recoverable amount.

Any impairment charges are reported as operating expenses on the consolidated statements of earnings.

k) Other Non-current Assets

Other non-current assets include deferred charges related to the operation of certain outdoor advertising sites and related license fees, and business pre-operating costs (see Note 1.t)). Also included in other non-current assets are the customer relationships obtained as part of the Standard Acquisition (see Note 2), and other miscellaneous deferred charges.

Outdoor advertising license fees are amortized over the 20-year term of the related contract with the City of Toronto (the "City"), on the basis of the minimum amounts guaranteed to be paid annually to the City which reflects the pattern of the estimated economic benefits to be earned by the Company under the terms of the license (see Note 18).

Customer relationships and business pre-operating costs are amortized on a straight-line basis over a period ranging between three and five years.

Other deferred charges are amortized on a straight-line basis over the term of their related contractual arrangements.

1. Accounting Policies (continued)

l) Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are depreciated on a straight-line basis over their estimated useful life which is as follows:

Buildings	30 years
Outdoor advertising equipment	7 to 20 years
Equipment, furniture and fixtures	3 to 10 years
Computer hardware and software	3 to 6 years

Leasehold improvements are depreciated on a straight-line basis over the remaining term of the related leases.

Street furniture equipment is depreciated on a straight-line basis over the lesser of its estimated useful life and the remaining term of the related contract.

m) Asset Retirement Obligations

The Company records a liability for an asset retirement obligation related to an outdoor advertising site lease when it is committed to return the site to its original state. The associated asset retirement costs are capitalized as part of the carrying value of the related property, plant and equipment, and subsequently depreciated, while the liability is accreted to its total amount. For the years ended August 31, 2009 and 2008, the depreciation and accretion expenses related to the asset retirement obligations are not significant and are included in depreciation and operating expenses respectively on the consolidated statements of earnings.

n) Impairment of Long-lived Assets

Long-lived assets, comprising property, plant and equipment, and outdoor advertising license fees, customer relationships, business pre-operating costs and other deferred charges, are tested for impairment whenever there have been events or circumstances that indicate that their carrying value may not be recoverable. If the carrying value of a long-lived asset intended for use exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition, an impairment charge is recognized as depreciation or amortization expense, measured as any excess of the carrying value over the fair value.

o) Broadcast Licences and Goodwill

The cost of acquiring businesses is allocated to the fair value of the net identifiable tangible and intangible assets acquired. Identifiable indefinite-life intangible assets acquired consist primarily of the Company's broadcast licences. The excess of the cost of the acquired businesses over the fair value of the net identifiable tangible and intangible assets acquired is allocated to goodwill.

Broadcast licences and goodwill are not amortized but are tested for impairment annually, or more frequently if events or circumstances indicate that it is more likely than not that their value might be impaired. The impairment test for broadcast licences consists of comparing their carrying amount to their fair value. An impairment charge, if any, representing the excess of the carrying amount over the fair value, is then recognized on the consolidated statements of earnings. The impairment test for goodwill is carried out in two steps. First, when the fair value of a reporting unit exceeds its carrying amount, no impairment charge is recognized and the second step is not required. If required, the second step consists of allocating the fair value of the reporting unit to its identifiable assets and liabilities in order to determine the implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, an impairment charge representing the excess is recognized on the consolidated statements of earnings. The Company uses the discounted future cash flows method to assess the fair value of its broadcast licences and reporting units.

During the fourth quarter of Fiscal 2009, the Company performed its broadcast licences and goodwill annual impairment tests and concluded that there was no impairment of goodwill related to each of its three business segments, nor of its television broadcast licences. However, the Company recorded an impairment charge of $317.5 million (net of a future income tax recovery of $82.0 million) related to its Radio broadcast licences (no provision for impairment of broadcast licences was required for the year ended August 31, 2008) (see Note 7).

p) Deferred Financing Costs

Deferred financing costs are amortized over the term of the related bank credit agreement using the effective interest rate method, and such amortization is recorded as interest expense on the consolidated statements of earnings.

q) Income Taxes

The Company accounts for income taxes using the liability method. Under this method, future income tax assets and liabilities are determined by reference to the temporary differences between the carrying values and the tax basis of assets and liabilities. The future income tax assets and liabilities are measured using the income tax rates that are expected to apply when these differences are expected to be recovered or settled. Future income tax assets are recognized to the extent that realization of such assets is considered more likely than not. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in earnings in the period that includes the substantive enactment date of the change.

1. Accounting Policies (continued)

r) Employee Future Benefits

The Company has voluntary defined benefit pension plans (the “Plan”), which are no longer available to new employees, and a non-pension post-retirement benefit plan (the “NPPR”) which provides health benefits and dental care to certain employees who were hired as part of the Standard Acquisition (see Note 2). In addition, the Company also has a Supplementary Executive Retirement Plan (the “SERP”) to provide supplemental pension benefits to certain key executives. For the purpose of calculating the expected return on Plan assets, these assets are valued using a market-related value approach under which changes in the fair value of the Plan’s assets are taken into account over a five-year period. The cost of pensions earned by employees is actuarially determined using the projected unit credit cost method for the Plan and for the SERP, and the projected benefit method prorated on services for the NPPR, and management’s best estimates of expected Plan investment performance, salary escalation, retirement ages of employees and expected health care and dental costs. The Company uses the corridor method to amortize actuarial gains or losses over the average remaining service life of active employees. Under the corridor method, amortization is recorded only if, at the beginning of the fiscal year, the accumulated unamortized net actuarial gains or losses exceed 10% of the greater of the accrued pension benefit obligation and the value of the pension plan assets.

Defined contribution components of the Plan are also available to all employees hired on or after December 1, 2005. The pension expense related to these defined contribution components consists of the contribution paid by the Company for services rendered by the employees during the period.

Pension expenses related to all of the above plans are included in operating expenses on the consolidated statements of earnings.

s) Stock-based Compensation

The Company has an employee stock option plan, a restricted share unit plan and a deferred share unit plan, which are described in Note 12.c). The Company accounts for stock-based compensation using the fair value method of accounting for stock options granted after September 1, 2003 and for all restricted share units granted. The intrinsic value method is used to account for deferred share units granted. Stock-based compensation costs are recorded in operating expenses on the consolidated statements of earnings, and credited to contributed surplus on the consolidated balance sheets for the stock option plan and the restricted share unit plan, and to accounts payable and accrued liabilities for the deferred share unit plan.

t) Future Accounting Changes

The Company believes that the following future CICA recommendations will have an impact on the Company's future financial statements:

i) Section 3064, *Goodwill and Intangible Assets*, was issued and replaced Section 3062, *Goodwill and Other Intangible Assets*, Section 3450, *Research and Development* and EIC-27, *Revenues and Expenditures during the Pre-operating Period*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

ii) Section 1582, *Business Combinations*, was issued and replaced Section 1581, *Business Combinations*. This new section establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed.

iii) Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-controlling Interests*, were issued and together replace Section 1600, *Consolidated Financial Statements*. These new sections establish standards for the preparation of consolidated financial statements and for the accounting of a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company is required to apply Section 3064 in Fiscal 2010 retroactively, with restatement of prior fiscal years. Following the application of this section, the Company will no longer be permitted to capitalize the pre-operating costs of new services or other internally developed assets unless specific criteria are met. Upon adoption of these recommendations effective September 1, 2009, the Company will eliminate the unamortized business pre-operating costs recorded in other non-current assets on the consolidated balance sheet as at August 31, 2009, amounting to $9.2 million and their related future income tax liabilities of $3.3 million ($3.4 million and $1.0 million respectively as at August 31, 2008), through the Fiscal 2010 consolidated opening retained earnings. The Company is still assessing whether this section's application will have any other impact on its future consolidated financial statements.

The Company is required to apply Sections 1582, 1601 and 1602 prospectively as of September 1, 2011. Section 1582 is the Canadian equivalent to International Financial Reporting Standard IFRS 3, *Business Combinations*. Section 1602 is the Canadian equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, *Consolidated and Separate Financial Statements*.

The Company is in the process of evaluating the requirements of Sections 1582, 1601 and 1602, and their potential impact on the Company's future consolidated financial statements.

2. Business Acquisition

On October 29, 2007, the Company completed the acquisition of substantially all of the assets of Standard Radio Inc. ("Standard") consisting of 53 radio stations in 30 markets across Canada, as well as two television stations located in northern British Columbia. Also included in the transaction were the assets of Integrated Media Sales or "IMS" (now Astral Media Radio Sales), a national advertising sales organization, and of Sound Source Networks (now Orbyt Media), a radio content service provider (the "Standard Acquisition"). The purchase price for the Standard Acquisition was $1.08 billion plus $6.0 million of acquisition costs and excluded $24.8 million of working capital and other post-closing adjustments, of which $2.8 million was paid during the first quarter of Fiscal 2009. The $1.08 billion consideration comprised an amount of $879.9 million in cash and 4,750,987 Class A non-voting shares of the Company, which were valued at $202.5 million on the basis of the market price of the shares on announcing the agreement on April 12, 2007. The cash consideration was financed with cash on-hand and with $825.0 million of bank debt (see Note 9). Under the terms of the agreement, the Company assumed Standard's defined benefit pension plan and non-pension post-retirement benefit plan. The assets acquired, liabilities assumed and results of operations are consolidated since the closing of the transaction, effective October 29, 2007.

The purchase price for the Standard Acquisition is subject to a contingent consideration of an amount of up to $28.4 million, based on the impact on future earnings of a favourable resolution of regulatory matters specified in the agreement. Subsequent to Fiscal 2009, following the resolution of such regulatory matters (see Note 24), the Company will be required to pay an additional cash consideration estimated to be less than $10.0 million. The additional consideration will be accounted for as an increase of goodwill in the period in which the payment occurs.

Details of the business acquisition, accounted for by using the purchase method, are as follows:

(in thousands)	
Assets acquired:	
Cash and cash equivalents	$ 331
Accounts receivable	44,842
Prepaid expenses and other current assets	3,386
Property, plant and equipment	32,922
Customer relationships	1,791
Broadcast licences (Note 7)	856,798
Goodwill (Note 8)	240,929
Future income tax assets	16,514
	1,197,513
Liabilities assumed:	
Accounts payable and accrued liabilities	(23,626)
Employee future benefits	(6,816)
Amounts payable under conditions of CRTC[1] licence acquisition	(53,899)
Total consideration	$ 1,113,172
Consideration comprises:	
Cash on-hand	$ 79,128
Cash financed by long-term debt (Note 9)	825,000
Class A non-voting shares (Note 12.b))	202,487
Acquisition costs	6,557
Total consideration	$ 1,113,172

(1) Canadian Radio-television and Telecommunications Commission (the "CRTC").

For income tax purposes, broadcast licences and goodwill resulting from the Standard Acquisition of $642.6 million and $146.7 million respectively are deductible as eligible capital expenditures.

The above purchase price allocation includes $5.7 million of restructuring costs, which mainly consist of severance costs. As at August 31, 2009, the remaining unpaid balance is not significant.

3. Joint Ventures

The Company's significant investments in joint ventures are as follows as at August 31:

	Percentage Owned	
	2009	2008
Viewer's Choice Canada Inc.	**50.1**	50.1
Historia & Séries+, S.E.N.C.	**50**	50
TELETOON Canada Inc.	**50**	50
Canal Indigo, S.E.N.C. (until August 31, 2008)	**–**	20.04

On August 31, 2008, the Company sold its investment in Canal Indigo, S.E.N.C. The sale did not have a significant impact on the consolidated financial statements for the year ended August 31, 2008.

The following is a summary of the Company's proportionate share of the financial position, results of operations and cash flows from continuing operating, investing and financing activities of the joint ventures included in the consolidated financial statements:

(in thousands)	**2009**	2008
Cash and cash equivalents	**$ 4,599**	$ 4,807
Other current assets	**31,981**	30,498
Non-current assets	**27,331**	39,466
Current liabilities	**(24,449)**	(33,141)
Non-current liabilities	**(1,117)**	(5,833)
Net assets	**$ 38,345**	$ 35,797

(in thousands)	**2009**	2008
Revenues	**$ 62,293**	$ 64,780
Operating expenses	**30,347**	29,351
Depreciation and amortization	**156**	132
Interest income, net	**(20)**	(154)
Income tax provision	**6,704**	8,191
Net earnings	**$ 25,106**	$ 27,260
Cash provided by continuing operating activities	**$ 22,540**	$ 10,226
Cash used for investing activities	**$ (189)**	$ (139)
Cash used for financing activities	**$ –**	$ –

4. Short-term Investments

The following table summarizes information relating to short-term investments as at August 31, 2009 and 2008:

	Cost *(in thousands)*	Original maturity *(days)*	Weighted average effective interest rate
2009 – None	**$ –**	**–**	**–**
2008 – Commercial paper	$ 9,962	124	3.0%

5. Other Non-current Assets

(in thousands)	**2009**	2008
Outdoor advertising license fees (net of accumulated amortization of $324 (2008 – $144))	**$ 28,963**	$ 28,754
Business pre-operating costs (net of accumulated amortization of $1,869 (2008 – $678)) (Note 1.t))	**9,157**	3,363
Employee future benefits (Note 19)	**7,025**	7,511
Customer relationships (net of accumulated amortization of $768 (2008 – $367))	**1,023**	1,424
Other deferred charges (net of accumulated amortization of $1,888 (2008 – $904))	**6,660**	6,699
	$ 52,828	$ 47,751

On October 30, 2008, the Company launched HBO Canada, a The Movie Network multiplex channel. Business pre-operating costs related to HBO Canada capitalized in Fiscal 2009 amounted to $6.7 million.

6. Property, Plant and Equipment

(in thousands)	**2009**		2008	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land and buildings	**$ 13,975**	**$ 627**	$ 13,575	$ 306
Outdoor advertising equipment	**114,842**	**35,770**	84,206	30,493
Equipment, furniture and fixtures	**98,288**	**59,907**	90,899	53,138
Computer hardware and software	**49,611**	**32,681**	44,898	26,338
Leasehold improvements	**28,073**	**16,844**	25,186	15,005
Total	**$ 304,789**	**$ 145,829**	$ 258,764	$ 125,280
Net book value	**$ 158,960**		$ 133,484	

7. Broadcast Licences

The changes in broadcast licences are summarized as follows:

(in thousands)	2009	2008
Beginning of year	**$ 1,807,496**	$ 950,698
Impairment charge	**(399,459)**	–
Broadcast licences acquired (Note 2)	**–**	856,798
End of year	**$ 1,408,037**	$ 1,807,496

During the fourth quarter of Fiscal 2009, the Company performed its annual impairment tests of the carrying value of broadcast licences using the discounted future cash flows method. The test was based on assumptions comprising, amongst others, management's best estimates of projected operating earnings, discount rate, expected terminal growth rate of operating earnings and future capital expenditures. The current economic environment and the ensuing decline of advertising revenue have resulted in a decrease in the fair value of the Company's Radio broadcast licences. Consequently, the Company recorded an impairment charge of $399.5 million ($317.5 million, net of income tax recovery of $82.0 million, or a net loss of $5.66 per share). The impairment charge relates entirely to the Radio segment.

8. Goodwill

The changes in goodwill are summarized as follows:

(in thousands)	2009	2008
Beginning of year	**$ 356,945**	$ 116,016
Goodwill related to business acquisition (Note 2)	**–**	240,929
End of year	**$ 356,945**	$ 356,945

During the fourth quarter of Fiscal 2009, the Company performed its annual impairment tests of the carrying value of goodwill using the discounted future cash flows method and concluded that no provision for impairment was required for any of its three business segments.

As at August 31, 2009, the Company's goodwill is related to its Television business for a total amount of $29.8 million, to its Radio business for an amount of $240.9 million, and to its Outdoor Advertising business for an amount of $86.2 million.

9. Credit Facilities

The components of the Company's long-term debt are as follows:

(in thousands)	2009	2008
One-month bankers' acceptances	**$ 694,600**	$ 814,300
Canadian prime rate loans	**400**	700
Deferred financing costs	**(2,239)**	(2,926)
Long-term debt	**$ 692,761**	$ 812,074

On October 29, 2007, the Company established a $1.0 billion credit facility (the "Facility") with a syndicate of financial institutions, as part of the financing required for the purpose of the Standard Acquisition (see Note 2). The Facility has been reduced to $870.0 million as at August 31, 2009 following repayments. The Facility has a five-year term which started on October 29, 2007 and borrowings under the Facility can be in the form of bankers' acceptances, Canadian prime-rate loans, US base-rate loans or LIBOR loans, and bear interest accordingly, plus a premium based on certain financial ratios. In order to manage the interest-rate risk exposures related to the Facility, the Company entered into an interest-rate swap agreement covering part of its long-term debt (see Note 22.a)i)).

As at August 31, 2009, total borrowings under the Facility amounted to $695.0 million ($815.0 million as at August 31, 2008), excluding $19.3 million of outstanding letters of credit ($19.3 million as at August 31, 2008), and bear a weighted-average interest rate of 3.8% (4.8% as at August 31, 2008), after reflecting the effect of the interest-rate swap agreement. The Company fully guarantees the Facility on an unsecured basis and also has a prepayment option without penalty that can be exercised at any time during the term of the Facility. Under the terms of the Facility, the Company has no repayment obligation before October 29, 2012.

Under the terms of the Facility, the Company has certain financial ratios to comply with. The Company has been in compliance with these financial ratios and all other covenants since the establishment of the Facility.

The Company's joint ventures also have operating revolving credit facilities of $4.5 million (at Astral's proportionate share), which were not used as at August 31, 2009 and 2008.

10. Other Non-current Liabilities

(in thousands)	2009	2008
Amounts payable under conditions of CRTC licence acquisitions	**$ 35,258**	$ 43,093
Employee future benefits (Note 19)	**15,880**	17,571
Program and film rights payable	**6,955**	13,446
Asset retirement obligations	**2,950**	3,082
Other non-current liabilities	**3,153**	1,253
	$ 64,196	$ 78,445

The current portion of amounts payable under conditions of CRTC licence acquisitions is included in accounts payable and accrued liabilities on the consolidated balance sheets.

11. Discontinued Operations

For the year ended August 31, 2009, the Company's net loss does not include any results of operations from discontinued operations. In August 2008, the Company announced the closing of its classified ad division TATV and therefore recorded a loss from discontinued operations of $1.2 million (net of income tax recovery of $0.6 million) for the year ended August 31, 2008.

In Fiscal 2008, the Company also recorded an income tax expense of $0.5 million related to additional future income tax liabilities with regards to a previously discontinued operation.

Selected financial information for the business included in discontinued operations is reported below:

(in thousands except for per-share data)	2009	2008
Revenues	**$ –**	$ 4,012
Earnings from operations before undernoted	**$ –**	$ 94
Exit costs	**–**	(1,856)
Loss before income taxes	**–**	(1,762)
Income tax recovery	**–**	(51)
Net loss from discontinued operations	**$ –**	$ (1,711)
Loss per share from discontinued operations		
– basic	**$ –**	$ (0.03)
– diluted	**$ –**	$ (0.03)

Liabilities of discontinued operations relate to operations that were discontinued in Fiscal 2008 and prior years. They include lease and operational obligations, and other non-current liabilities which together amount to $1.1 million (2008 – $2.7 million) and should be paid by the end of Fiscal 2010.

12. Capital Stock

a) Authorized

An unlimited number of Class A non-voting shares ("Class A shares").

An unlimited number of Class B subordinate voting shares ("Class B shares"), entitled to one vote each and exchangeable for Class A shares on a one-for-one basis.

65,000, 5% non-cumulative Special shares ("Special shares"), entitled to ten votes each and convertible on the basis of two Class B shares for each Special share.

In order to ensure compliance with Federal Government directions, the *Broadcasting Act* and regulations governing specialty, pay and pay-per-view television services and radio stations (the "Regulations"), the Company has imposed restrictions on the issuance, transfer and, if applicable, voting of the Company's shares. Pursuant to such restrictions, the Company can prohibit the issuance of shares or refuse to register the transfer of shares or, if applicable, prohibit the voting of shares in circumstances that would or could adversely affect the ability of the Company and its affiliates to obtain, maintain, renew or amend any licence required to carry on any business of the Company and its affiliates, under the provisions of the Regulations, including a licence to carry on a broadcasting undertaking, or to comply with such provisions or with those of any such licence.

b) Issued and Outstanding Capital Stock

(in thousands except for number of shares)	2009		2008	
	Number of shares outstanding	Carrying value of shares	Number of shares outstanding	Carrying value of shares
Class A shares:				
Beginning of year	**53,200,874**	**$ 745,070**	49,777,203	$ 558,534
Conversion of Class B shares	**3,000**	**3**	4,350	4
Stock options exercised (Notes 12.c) and 13)	**79,469**	**1,671**	184,190	3,756
Conversion of restricted share units (Notes 12.c) and 13)	**105,500**	**3,236**	100,544	3,082
Shares issued as part of the consideration for the Standard Acquisition (Note 2)	**–**	**–**	4,750,987	202,487
Shares repurchased (Note 12.g))	**–**	**–**	(1,616,400)	(22,643)
Shares issuance costs	**–**	**–**	–	(150)
End of year	**53,388,843**	**749,980**	53,200,874	745,070
Class B shares:				
Beginning of year	**2,787,672**	**2,726**	2,792,022	2,730
Conversion to Class A shares	**(3,000)**	**(3)**	(4,350)	(4)
End of year	**2,784,672**	**2,723**	2,787,672	2,726
Special shares	**65,000**	**325**	65,000	325
		$ 753,028		$ 748,121

12. Capital Stock (continued)

c) Stock Option Plan, Restricted Share Unit Plan and Deferred Share Unit Plan

Under the provisions of the Company's employee stock option plan, the Company may grant options to key employees to purchase a maximum number of Class A shares equal to 10% of the aggregate number of outstanding Class A and Class B shares on a non-diluted basis, when combined with the number of shares reserved for issuance under the Company's other stock-based compensation arrangements (the "Rolling maximum"). The option exercise price is set at the closing price for the Class A shares on the Toronto Stock Exchange on the last business day before the date on which the options are granted. Under the stock option plan, approximately 30% of the stock options vest progressively over 4 years from the date of granting for options granted on or after September 1, 2003 (5 years for options granted until August 31, 2003) and approximately 70% vest on the basis of the level of achievement of certain financial performance targets measured over a period of three fiscal years beginning with the fiscal year of their grant. Options have a term ranging from 5 to 10 years.

Under the Company's restricted share unit plan, restricted share units ("RSUs") can be granted to key employees as part of their long-term compensation program. RSUs are granted without any monetary consideration being payable to the Company, and their vesting is entirely based on the level of achievement of certain financial performance targets measured over a period of three fiscal years beginning with the fiscal year of their grant. Upon vesting, each RSU is convertible into one fully paid Class A share issued from treasury, up to a maximum number of Class A shares equal to 20% of the Rolling maximum, without any further monetary consideration payable to the Company in respect thereof.

Under the Company's deferred share unit plan, deferred share units ("DSUs") can be granted to key employees as part of their long-term compensation program, and to the Company's directors as consideration for their compensation entitlements. A DSU is a phantom share of the Company with the same value as a Class A share. It is converted and its value is paid in cash to the holder following termination of employment or Board service, such value determined on the basis of the market value of Class A shares on the date of payment. No shares are required to be reserved under the Company's deferred share unit plan. For key employees, DSUs vest entirely on the basis of the level of achievement of certain financial performance targets measured over a period of three fiscal years beginning with the fiscal year of their grant, while for directors, DSUs are fully vested upon grant.

The compensation costs related to these plans are disclosed in Note 12.d).

The status of the Company's employee stock option plan as at August 31 is summarized as follows:

	2009		2008	
	Number of options outstanding	Weighted average exercise price ($)	Number of options outstanding	Weighted average exercise price ($)
Beginning of year	**3,104,096**	**28.55**	2,979,397	26.24
Granted	**371,892**	**20.98**	344,732	43.76
Exercised	**(79,469)**	**20.80**	(184,190)	18.09
Cancelled	**(23,917)**	**36.80**	(34,921)	35.89
Expired	**(217,839)**	**28.00**	(922)	33.64
End of year	**3,154,763**	**27.83**	3,104,096	28.55
Exercisable – end of year	**2,217,730**	**25.43**	2,228,314	24.61

The following table summarizes information relating to the outstanding stock options:

Range of exercise prices ($)	Number of options outstanding at August 31, 2009	Weighted average remaining life (years)	Weighted average exercise price ($)	Number of options exercisable at August 31, 2009	Weighted average exercise price ($)
12.90 – 16.75	**53,934**	**0.43**	**13.21**	**53,934**	**13.21**
16.76 – 24.75	**1,963,218**	**2.90**	**23.06**	**1,596,334**	**23.54**
24.76 – 36.75	**520,435**	**0.82**	**30.66**	**499,398**	**30.66**
36.76 – 43.76	**617,176**	**2.82**	**41.89**	**68,064**	**41.21**
12.90 – 43.76	**3,154,763**	**2.50**	**27.83**	**2,217,730**	**25.43**

The status of the Company's restricted share unit plan as at August 31 is summarized as follows:

	2009	2008
Number of units:		
Outstanding – beginning of year	**329,800**	317,422
Granted	**79,500**	119,900
Converted to Class A shares	**(105,500)**	(100,544)
Cancelled	**–**	(6,978)
Outstanding – end of year	**303,800**	329,800

12. Capital Stock (continued)

d) Stock-based Compensation Costs

During the second quarter of Fiscal 2009, the Company granted 371,892 options to key employees to purchase Class A shares of the Company (344,732 options to purchase Class A shares were granted in the second quarter of Fiscal 2008). The fair value of options granted was determined using the Black-Scholes option pricing model and the following assumptions:

	Fiscal 2009 Grant	Fiscal 2008 Grant
Assumptions:		
Risk-free interest rate	**2.15%**	3.98%
Expected volatility in the market price of the shares	**24.60%**	17.80%
Expected dividend yield	**2.38%**	1.15%
Expected life	**4.5 years**	4.5 years
Fair value per option:	**$3.66**	$8.41

During the second quarter of Fiscal 2009, the Company also granted 79,500 RSUs to key employees (119,900 RSUs were granted during the second quarter of Fiscal 2008). The fair value of the RSUs granted is $20.75 per unit ($43.50 per unit in Fiscal 2008) which is equal to the market price of a Class A share of the Company at the time of the grant.

The compensation costs related to stock options and RSUs granted to employees are recorded in operating expenses on the consolidated statements of earnings, over their expected vesting period for stock options, and over a three-year vesting period for RSUs. Such compensation costs are credited to contributed surplus on the consolidated balance sheets. For the year ended August 31, 2009, stock-based compensation costs amounted to $5.9 million ($6.3 million for the year ended August 31, 2008) (see Note 13).

For the year ended August 31, 2009, the compensation cost related to DSUs amounted to $0.7 million ($0.1 million for the year ended August 31, 2008) and is recorded in operating expenses on the consolidated statements of earnings.

e) Employee Share Purchase Plan

The Company's employee share purchase plan provides employees with an opportunity to acquire Class A shares through salary deductions, subject to a maximum of 10% of their annual salary. The Company contributes an amount equal to 20% of the employees' contributions towards the purchase of the shares. For the years ended August 31, 2009 and 2008, the Company's contributions are not significant and are recorded in operating expenses on the consolidated statements of earnings. Shares are acquired on the open market and the price paid for the shares is determined at the end of each month, based on the average price of all shares purchased by the plan's custodian during the month.

f) Earnings (Loss) per Share

The following is a reconciliation of the numerator and denominators used for the computation of basic and diluted earnings (loss) per share from continuing operations:

(in thousands)	2009	2008
Net earnings (net loss) from continuing operations (numerator)	**$ (158,025)**	$ 178,721
Weighted average number of shares outstanding (denominators):		
Weighted average number of shares outstanding – basic	**56,100**	56,257
Effect of dilutive securities	**–**	949
Weighted average number of shares outstanding – diluted	**56,100**	57,206

Given the consolidated net loss incurred by the Company for the year ended August 31, 2009, all dilutive securities were excluded from the computation of diluted loss per share due to their anti-dilutive effect.

g) Normal Course Issuer Bids

On December 5, 2007, the Company announced a renewal of its normal course issuer bid to repurchase for cancellation up to 1,400,000 Class A shares and 71,400 Class B shares. On July 30, 2008, the Company increased the maximum number of shares that it can repurchase to 2,732,749 Class A shares and to 139,401 Class B shares, both quantities representing no more than 5% of the outstanding shares as at November 30, 2007 for their respective class of shares. The share repurchase program was conducted over a maximum period of 12 months which ended on December 13, 2008.

On December 9, 2008, the Company announced a further renewal of its normal course issuer bid. Under the terms of this renewal, the Company is authorized to repurchase for cancellation up to 2,665,620 Class A shares and 139,234 Class B shares, both quantities representing no more than 5% of the outstanding shares as at November 30, 2008 for their respective class of shares. The share repurchase program is being conducted over a maximum period of 12 months which began on December 15, 2008.

For the year ended August 31, 2009, in order to maximize the reimbursement of long-term debt (see Note 23), the Company did not repurchase any Class A or Class B shares. During the year ended August 31, 2008, 1,616,400 Class A shares were repurchased for a total cash consideration of $55.4 million. The cash consideration exceeded the carrying value of the shares by $32.8 million, which amount was charged to retained earnings.

13. Contributed Surplus

The changes in contributed surplus are summarized as follows:

(in thousands)	2009	2008
Beginning of year	**$ 14,409**	$ 11,645
Stock-based compensation costs (Note 12.d))	**5,912**	6,270
Stock options exercised	**(17)**	(424)
Restricted share units converted to Class A shares (Note 12.b))	**(3,236)**	(3,082)
End of year	**$ 17,068**	$ 14,409

14. Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) are summarized as follows:

(in thousands)	2009	2008
Beginning of year	**$ (13,225)**	$ 3,896
Adjustment to the opening balance due to adoption of EIC-173 (net of income taxes of $0.1 million) (Note 1.c))	**224**	–
Other comprehensive loss for the year (net of income tax recoveries of $1.2 million and $6.9 million respectively)	**(3,108)**	(17,121)
End of year	**$ (16,109)**	$ (13,225)

15. Interest and Financial Expenses

(in thousands)	2009	2008
Interest expense on long-term debt	$ 16,295	$ 30,737
Interest expense related to swap agreement, net	16,960	4,285
Imputed interest on other non-current liabilities	2,637	2,507
Other interest expense (income) and financing costs, net	1,076	(64)
	$ 36,968	$ 37,465

16. Income Taxes

During Fiscal 2008, the Federal government enacted a phased-in decrease to the Federal general corporate income tax rate and the British Columbia government substantively enacted a decrease to its general corporate income tax rate. For the year ended August 31, 2008, these rate changes resulted in a non-cash future income tax recovery of $28.3 million ($0.51 per share) that was recorded in the consolidated statement of earnings.

The total income tax expense (recovery) varies from the amounts that would be computed by applying the weighted average statutory income tax rate to earnings (loss) from continuing operations before income taxes of the Company, its wholly-owned subsidiaries and joint ventures for the following reasons:

(in thousands except for income tax rates)	2009	2008
Statutory income tax rate	32.1%	33.0%
Provision (recovery) based on statutory rate applied to earnings (loss) from continuing operations before income taxes	$ (53,912)	$ 75,669
Non-deductible stock-based compensation costs	1,946	2,013
Permanent differences, and rate differential between the origination and reversal of temporary differences, related to impairment charge on broadcast licences	46,257	–
Rate differential between the origination and reversal of temporary differences related to broadcast licences	(2,734)	(2,689)
Future income tax recovery resulting from income tax rate changes	–	(28,259)
Other items	(1,483)	3,846
Income tax provision (recovery)	$ (9,926)	$ 50,580

16. Income Taxes (continued)

Major components of the income tax provision (recovery) are as follows:

(in thousands)	2009	2008
Current income tax expense	**$ 51,638**	$ 56,124
Future income tax expense relating to origination and reversal of temporary differences	**20,406**	22,715
Future income tax recovery resulting from impairment charge on broadcast licences	**(81,970)**	–
Future income tax recovery resulting from income tax rate changes	**–**	(28,259)
Income tax provision (recovery)	**$ (9,926)**	$ 50,580

Significant future income tax assets and liabilities arising from the effect of temporary differences are as follows:

(in thousands)	2009	2008
Future income tax assets:		
Other non-current liabilities, including employee future benefits	**$ 11,506**	$ 11,461
Derivative financial instruments	**6,257**	5,138
Provisions and reserves	**3,173**	3,276
Other	**447**	2,267
Total future income tax assets	**21,383**	22,142
Future income tax liabilities:		
Property, plant and equipment and deferred charges	**(10,256)**	(6,047)
Broadcast licences and other intangible assets, including goodwill	**(177,177)**	(243,908)
Income from partnerships	**(3,866)**	(5,901)
Other	**(1,141)**	(701)
Total future income tax liabilities	**(192,440)**	(256,557)
Net future income tax liability	**$ (171,057)**	$ (234,415)

The net future income tax liability is included under the following captions on the consolidated balance sheets:

(in thousands)	2009	2008
Future income tax assets	**$ 79,522**	$ 26,448
Future income tax liabilities – current	**(4,481)**	(5,951)
Future income tax liabilities	**(246,098)**	(254,912)
Net future income tax liability	**$ (171,057)**	$ (234,415)

17. Consolidated Statements of Cash Flows

a) Net Change in Non-cash Operating Items

(in thousands)	2009	2008
Decrease (increase) in accounts receivable and other assets	**$ 18,163**	$ (20,601)
Increase in program and film rights	**(4,957)**	(17,162)
Increase (decrease) in accounts payable and accrued liabilities, and income taxes payable	**11,837**	(13,394)
Decrease in program and film rights payable	**(12,331)**	(5,195)
	$ 12,712	$ (56,352)

b) Cash and Cash Equivalents, Bank Overdraft

Major components of cash and cash equivalents or bank overdraft reported on the consolidated balance sheets and consolidated statements of cash flows are as follows:

(in thousands)	2009	2008
Cash on-hand	**$ 29,505**	$ 12,506
Cash equivalents	**–**	777
Outstanding cheques	**(6,405)**	(16,927)
Cash and cash equivalents (bank overdraft)	**$ 23,100**	$ (3,644)

17. Consolidated Statements of Cash Flows (continued)

c) Interest Paid, Received and Taxes Paid

(in thousands)	2009	2008
Interest paid	**$ (34,259)**	$ (35,836)
Interest received	**$ 615**	$ 1,454
Income taxes paid	**$ (49,946)**	$ (78,783)

d) Non-cash Transactions

For the year ended August 31, 2009, the consolidated statement of cash flows excludes additions to property, plant and equipment of $2.3 million that were unpaid at the end of the year ($3.4 million for the year ended August 31, 2008 which are included in the consolidated statement of cash flows for the year ended August 31, 2009). For the year ended August 31, 2008, the consolidated statement of cash flows also excludes the carrying value of the Class A Shares of the Company issued during the first quarter of Fiscal 2008 as part of the consideration for the Standard Acquisition (see Note 2).

18. Commitments and Contingencies

a) Commitments

The minimum amounts payable under long-term operating lease contracts, including the Company's proportionate share of amounts payable by joint ventures, are as follows:

(in thousands)	
2010	$ 42,582
2011	46,169
2012	46,796
2013	46,280
2014	45,613
2015 and thereafter	477,089
	$ 704,529

In the normal course of its operations, the Company has signed agreements, with terms ranging from one to ten years, for the acquisition of program and film rights to be aired on its television services and for the use of trademarks. The acquisition of the rights and related obligations are contingent on the actual delivery of programming and on other contractual terms. In addition to the above commitments of $704.5 million, the amount of program and film rights commitments that are measurable, as at August 31, 2009, is estimated at $255.4 million.

On July 25, 2007, Astral Media Outdoor signed an agreement with the City of Toronto (the "City") to service a 20-year coordinated street furniture program (the "Program"), beginning September 1, 2007. Under the terms of the agreement, the Company has the exclusive right to post advertising on the street furniture covered by the Program and is required to pay the City a percentage of revenues generated from the sale of such advertising. Total capital expenditures committed under the terms of the agreement, for the remaining 18 years of the contract, are estimated at $132.7 million and are excluded from the above table.

b) Contingencies

The Company and its joint ventures are involved in various legal actions which are normal to the businesses of the Company and its joint ventures. In the opinion of the Company, potential liabilities that may result from these legal actions have been adequately provided for and are not expected to have a material adverse effect on the Company's financial position.

Astral's Television and Radio operations rely upon licenses granted under the *Copyright Act (Canada)* in order to make use of the music components of the programming distributed by these undertakings. Under these licenses, Astral is required to pay royalties established by the Copyright Board of Canada. The various levels of royalties payable by the Company are subject to change, and any amendments could result in Astral's broadcasting undertakings being required to pay additional, and potentially retroactive, royalties under these licenses. The Company is paying or accruing for the royalties using current prescribed rates.

In December 2008, the Copyright Board held a consolidated proceeding to hear five copyright tariff proposals for commercial radio for the calendar years 2008 and beyond. These proposals cover both the performance rights and the reproduction rights. The potential impact of conclusions emanating from this proceeding on the Company's financial results cannot be determined until a final decision on this matter has been rendered.

19. Employee Future Benefits

The Company has two voluntary defined benefit pension plans (the "Plan") which are no longer available to new employees. The Plan provides pension benefits based on length of service and final average earnings of each member. The most recent actuarial valuations for funding purposes were performed as at December 31, 2006 and as at October 29, 2007, and the next required valuations will be performed as at December 31, 2009 and December 31, 2010 respectively. The Company also has a non-pension post-retirement benefit plan (the "NPPR") which provides health benefits and dental care to certain employees who were hired as part of the Standard Acquisition (see Note 2). The NPPR is not available to new employees.

In addition, the Company has a Supplementary Executive Retirement Plan (the "SERP") to provide supplemental pension benefits to certain key executives. The SERP is not funded, except in the case of a change of control of the Company, and benefits are paid as required.

The Company measures all accrued benefit obligations and the fair value of the Plan's assets for accounting purposes as at June 30 of each year.

The significant actuarial assumptions used in measuring the Company's accrued benefit obligations and benefit costs are as follows (weighted-average assumptions as at June 30):

	2009			2008		
	Plan	SERP	NPPR	Plan	SERP	NPPR
Accrued benefit obligations:						
Discount rate	**5.90%**	**5.90%**	**5.90%**	6.25%	6.25%	6.25%
Rate of salary escalation	**4.00%**	**4.00%**	**–**	4.25%	4.25%	–
Dental costs	**–**	**–**	**3.50%**	–	–	3.50%
Health care cost trend rates	**–**	**–**	**8.60%(1)**	–	–	8.00%(2)
Benefit plan costs:						
Discount rate	**6.25%**	**6.25%**	**6.25%**	5.50%	5.50%	5.75%
Expected long-term rate of return on plan assets	**6.50%**	**–**	**–**	6.75%	–	–
Rate of salary escalation	**4.25%**	**4.25%**	**–**	4.00%	4.00%	–

(1) Grading down to an ultimate rate of 4.70% per annum in Fiscal 2025 and thereafter.
(2) For the first ten years and 5.00% thereafter.

Information about the Company's retirement plans, as at June 30, is as follows:

(in thousands)	2009			2008		
	Plan	SERP	NPPR	Plan	SERP	NPPR
Benefit obligations:						
Benefit obligations – opening	**$ 57,478**	**$ 9,958**	**$ 5,030**	$ 36,083	$ 11,091	$ –
Curtailment gain	**–**	**–**	**(261)**	–	–	–
Benefit obligations on acquisition date	**–**	**–**	**–**	22,953	–	5,249
Current service cost	**6,679**	**449**	**211**	7,069	424	197
Interest cost	**3,885**	**638**	**316**	3,150	629	219
Benefits paid	**(3,976)**	**(410)**	**(2)**	(2,129)	(396)	–
Past service costs	**–**	**–**	**–**	–	127	–
Actuarial loss (gain) on accrued benefit obligations	**3,221**	**358**	**(1,120)**	(9,648)	(1,917)	(635)
Benefit obligations – closing	**$ 67,287**	**$ 10,993**	**$ 4,174**	$ 57,478	$ 9,958	$ 5,030
Plan assets:						
Fair value of plan assets – opening	**$ 55,054**	**$ –**	**$ –**	$ 32,354	$ –	$ –
Fair value of plan assets on acquisition date	**–**	**–**	**–**	21,386	–	–
Actual loss on plan assets	**(6,360)**	**–**	**–**	(1,202)	–	–
Employer contributions	**8,254**	**410**	**2**	4,645	396	–
Benefits paid	**(3,976)**	**(410)**	**(2)**	(2,129)	(396)	–
Fair value of plan assets – closing	**$ 52,972**	**$ –**	**$ –**	$ 55,054	$ –	$ –

19. Employee Future Benefits (continued)

Elements included in the expense related to the Company's retirement plans are as follows:

(in thousands)	2009			2008		
	Plan	SERP	NPPR	Plan	SERP	NPPR
Current service cost	**$ 6,679**	**$ 449**	**$ 211**	$ 7,069	$ 424	$ 197
Interest cost	**3,885**	**638**	**316**	3,150	629	219
Curtailment gain	**–**	**–**	**(261)**	–	–	–
Actual loss on plan assets	**6,360**	**–**	**–**	1,202	–	–
Past service costs	**–**	**–**	**–**	–	127	–
Actuarial loss (gain) on accrued benefit obligations	**3,221**	**358**	**(1,120)**	(9,648)	(1,917)	(635)
Adjustments to recognize the long-term nature of employee future benefit costs:						
Difference between expected return and actual loss on plan assets for the year	**(10,286)**	**–**	**–**	(4,344)	–	–
Difference between amortization of past service costs for the year and actual past service costs for the year	**–**	**66**	**–**	–	(61)	–
Difference between actuarial loss recognized for the year and actual actuarial loss on accrued benefit obligation for the year	**(3,176)**	**(358)**	**1,094**	10,089	1,982	635
Net benefit plan expense	**$ 6,683**	**$ 1,153**	**$ 240**	$ 7,518	$ 1,184	$ 416

Assumed health care and dental cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care and dental cost trend rates would have the following effects for Fiscal 2009:

(in thousands)	Increase	Decrease
Total of current service and interest cost	**$ 136**	**$ (103)**
Post-retirement accrued benefit obligation	**$ 917**	**$ (712)**

Plan assets, measured as at June 30, consist of:

	2009	2008
	Plan	Plan
Equity securities	**54.9%**	58.0%
Debt securities	**45.1%**	42.0%
	100.0%	100.0%

The status of the Company's retirement plans as at August 31 is as follows:

(in thousands)	**2009**			2008		
	Plan	SERP	NPPR	Plan	SERP	NPPR
Benefit obligations	**$ (67,287)**	**$ (10,993)**	**$ (4,174)**	$ (57,478)	$ (9,958)	$ (5,030)
Fair value of plan assets	**52,972**	**–**	**–**	55,054	–	–
Funded status – plan deficit	**(14,315)**	**(10,993)**	**(4,174)**	(2,424)	(9,958)	(5,030)
Employer contributions after June 30	**1,190**	**75**	**–**	649	–	–
Unamortized past service costs	**–**	**647**	**–**	–	713	–
Unamortized net actuarial loss (gain)	**19,714**	**334**	**(1,729)**	6,252	(24)	(635)
Accrued benefit asset (liability)	**$ 6,589**	**$ (9,937)**	**$ (5,903)**	$ 4,477	$ (9,269)	$ (5,665)

Both defined benefit pension plans had an accrued benefit obligation in excess of plan assets as at June 30, 2009 and 2008.

19. Employee Future Benefits (continued)

The accrued benefit asset (liability) is included under the following captions on the consolidated balance sheets:

(in thousands)		2009						
		Plan		SERP		NPPR		Total
Other non-current assets (Note 5)	$	**7,025**	$	**–**	$	**–**	$	**7,025**
Accounts payable and accrued liabilities		**–**		**(396)**		**–**		**(396)**
Other non-current liabilities (Note 10)		**(436)**		**(9,541)**		**(5,903)**		**(15,880)**
	$	**6,589**	$	**(9,937)**	$	**(5,903)**	$	**(9,251)**

(in thousands)		2008						
		Plan		SERP		NPPR		Total
Other non-current assets (Note 5)	$	7,511	$	–	$	–	$	7,511
Accounts payable and accrued liabilities		–		(397)		–		(397)
Other non-current liabilities (Note 10)		(3,034)		(8,872)		(5,665)		(17,571)
	$	4,477	$	(9,269)	$	(5,665)	$	(10,457)

Defined contribution components of the Plan are also available to all employees hired on or after December 1, 2005. For the year ended August 31, 2009, the contribution amounts paid by the Company for services rendered by the employees during the year under the defined contribution components of the Plan are $1.6 million and are included in operating expenses on the consolidated statement of earnings ($1.2 million for the year ended August 31, 2008).

20. Business Segments

The Company's business segments are Television, Radio and Outdoor Advertising. The Television segment comprises the Company's specialty, pay and pay-per-view television services. Its revenues are derived from subscription fees, advertising sales and pay-per-view sales. The Radio segment comprises the Company's FM and AM radio stations and its revenues are derived from advertising sales. The Outdoor Advertising segment comprises activities related to posting advertising on the Company's inventory of panels and street furniture equipment, and its revenues are derived from the sale of such advertising. Advertising revenues in each of the three business segments tend to follow seasonal patterns. All activities are conducted in Canada.

During Fiscal 2009, the Company restructured certain of its Television and Radio operations and restructuring charges of $4.4 million were recorded on the consolidated statement of earnings for the year ended August 31, 2009.

(in thousands of $)				**2009**
	Television	Radio	Outdoor Advertising	Consolidated
Revenues from continuing operations	**513,265**	**323,002**	**69,458**	**905,725**
Earnings from continuing operations before undernoted items	**188,445**	**110,366**	**26,175**	**324,986**
Depreciation and amortization	**(10,168)**	**(10,138)**	**(6,443)**	**(26,749)**
Restructuring charges	**(616)**	**(3,767)**	**–**	**(4,383)**
Earnings from continuing operations before unallocated items	**177,661**	**96,461**	**19,732**	**293,854**
Interest expense, net				**(36,968)**
Corporate costs (including depreciation of $771)				**(25,378)**
Impairment charge on Radio's broadcast licences				**(399,459)**
Income tax recovery				**9,926**
Net loss from continuing operations				**(158,025)**
Identifiable assets from continuing operations at year end (excluding Corporate assets of $44,030)	**798,834**	**1,065,112**	**140,311**	**2,004,257**
Additions to property, plant and equipment (excluding Corporate additions of $1,677)	**7,442**	**9,780**	**31,341**	**48,563**
Addition to broadcast licences	**–**	**–**	**–**	**–**
Addition to goodwill	**–**	**–**	**–**	**–**

20. Business Segments (continued)

(in thousands of $) **2008**

	Television	Radio	Outdoor Advertising	Consolidated
Revenues from continuing operations	497,007	296,302	72,061	865,370
Earnings from continuing operations before undernoted items	179,513	111,140	23,645	314,298
Depreciation and amortization	(8,001)	(8,128)	(5,474)	(21,603)
Restructuring charges	–	–	–	–
Earnings from continuing operations before unallocated items	171,512	103,012	18,171	292,695
Interest expense, net				(37,465)
Corporate costs (including depreciation of $1,209)				(25,929)
Impairment charge on Radio's broadcast licences				–
Income tax provision				(50,580)
Net earnings from continuing operations				178,721
Identifiable assets from continuing operations at year end (excluding Corporate assets of $32,226)	786,747	1,416,591	124,098	2,327,436
Additions to property, plant and equipment (excluding Corporate additions of $1,283)	9,832	8,529	19,723	38,084
Addition to broadcast licences (Notes 2 and 7)	–	856,798	–	856,798
Addition to goodwill (Notes 2 and 8)	–	240,929	–	240,929

21. Guarantees

Some agreements to which the Company is party, specifically those related to acquisitions and dispositions of business assets, and the leasing of its premises, include indemnification provisions that may require the Company to make payments to a vendor or purchaser for breach of fundamental representation and warranty terms in the agreements, with respect to matters such as corporate status, title of assets, environmental issues, consents to transfer, employment matters, litigation, taxes payable and other potential material obligations. The maximum potential amount of future payments that the Company could be required to make under these indemnification provisions is not reasonably quantifiable as certain indemnifications are not subject to a monetary limitation. As at August 31, 2009, management does not believe that these indemnification provisions would require any material cash payment by the Company, and insurance coverage, estimated by management to be reasonable and sufficient, exists in order to minimize the previously mentioned risks.

The Company indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers as well as those of its subsidiaries.

22. Financial Instruments

a) Risks Arising from Financial Instruments

In the normal course of business, the Company has exposures, consisting primarily of interest rate risk, credit risk and liquidity risk, arising from its financial instruments. The Company manages these risk exposures on an ongoing basis.

i) Interest Rate Risk

Borrowings under the Company's Facility are subject to interest rate fluctuations. To manage the volatility relating to this exposure, the Company is party to derivative financial instruments. The Company does not use derivative financial instruments for trading or speculative purposes. On October 29, 2007, the Company entered into an interest-rate swap agreement with a large Canadian bank to hedge its exposure to interest rate fluctuations (the "Agreement"). The Agreement is based on an initial nominal debt amount of $750.0 million which is being reduced periodically ($465.0 million as at August 31, 2009), based on a predetermined schedule, until its maturity on May 29, 2012. Under the Agreement, the Company pays interest based on a fixed rate of 4.6% and receives interest based on floating 30-day bankers' acceptances rates. The Company elected to apply cash flow hedge accounting on this derivative financial instrument.

Furthermore, interest rate fluctuations could have an impact on the Company's interest income that it earns on its cash, cash equivalents and short-term investments balances. The Company has implemented an investment policy designed to safeguard its capital and generate a reasonable return. The policy sets out the types of permissible investment instruments, their concentration and acceptable credit ratings.

Interest rate fluctuations would have an impact on the Company's net loss from continuing operations and on other comprehensive income items. A 0.5% interest rate change would have had the following impact for the year ended August 31, 2009:

(in thousands)	0.5% increase	0.5% decrease
Impact on net loss from continuing operations of interest rate changes	**$ (677)**	**$ 677**
Impact on other comprehensive income items due to changes in fair value of derivatives designated as cash flow hedges, net of taxes	**$ 2,300**	**$ (2,300)**

22. Financial Instruments (continued)

ii) Credit Risk

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument in which the Company is entitled to receive payment fails to perform. Accounts receivable arise mainly from monthly wholesale fees charged to distributors in connection with specialty and pay television subscriptions and from the sales of advertising aired or posted on the Company's Television, Radio and Outdoor Advertising properties.

The Company's credit exposure is higher in the currently weakened global economic environment; however it is difficult to predict the impact this could have on the collection of the Company's accounts receivable balances. To mitigate such risk, the Company performs ongoing customer credit evaluations and takes alternative means to guarantee the amounts due by some of its debtors. Allowances, which are estimated based on historical loss rates adjusted for current events, are monitored by management on an ongoing basis. Accounts receivable are written off against the allowance for doubtful accounts only when the Company believes that an outstanding amount will not be recovered. For the year ended August 31, 2009, the Company recorded allowances for doubtful accounts of $1.8 million in operating expenses on the consolidated statement of earnings. Historically, the Company has not suffered any material losses related to credit risk. As at August 31, 2009 and 2008, no customer represented 10% or more of consolidated accounts receivable. The maximum credit risk to which the Company is exposed is equal to its accounts receivable.

Pursuant to their respective payment terms, consolidated accounts receivable are aged as follows as at August 31, 2009:

(in thousands)	
In line with payment terms	**$ 88,708**
Under 31 days past due	**30,522**
31-60 days past due	**16,056**
61-90 days past due	**9,155**
Over 90 days past due	**2,828**
	147,269
Allowance for doubtful accounts	**(3,466)**
Total	**$ 143,803**

For the year ended August 31, 2009, two customers of the Television segment accounted for 23% (for the year ended August 31, 2008, two customers accounted for 22%) of consolidated revenues from continuing operations.

iii) Liquidity Risk

Liquidity risk is the risk that the Company would not be able to meet its financial obligations as they come to maturity or can only do so at excessive costs. Based on the Company's ability to generate cash flows through its ongoing operations, management believes that cash flows are sufficient to cover its known operating and capital requirements, as well as its dividend payments, its debt service, and its current and longer term commitments. Therefore, management evaluates that the Company's liquidity risk is low. The liquidity risk is also considered to be low due to the fact that the Company has access to the unused portion of its Facility which amounted to $155.7 million as at August 31, 2009. Also, the Company's Facility has no capital repayment obligation until the maturity date of October 29, 2012. Finally, the Company manages its liquidity risk by monitoring its cash resources through ongoing financial and cash flow forecasts.

The maturity dates of the Company's financial liabilities as at August 31, 2009 are as follows:

(in thousands)	Maturing in the next 12 months	Maturing in 13 to 36 months	Maturing in 37 to 60 months	Maturing in more than 60 months	Total
Accounts payable and accrued liabilities	**$ 120,262**	**$ –**	**$ –**	**$ –**	**$ 120,262**
Amounts payable under conditions of CRTC licence acquisitions	**17,688**	**19,145**	**18,371**	**–**	**55,204**
Program and film rights payable	**58,220**	**7,267**	**–**	**–**	**65,487**
Long-term debt	**–**	**–**	**695,000**	**–**	**695,000**
Interest payments on long-term debt	**7,113**	**14,227**	**1,150**	**–**	**22,490**
Net payments under the interest-rate swap agreement	**16,446**	**11,814**	**–**	**–**	**28,260**
Other non-current financial liabilities	**821**	**1,060**	**400**	**1,033**	**3,314**
Total	**$ 220,550**	**$ 53,513**	**$ 714,921**	**$ 1,033**	**$ 990,017**

Interest payments on long-term debt and net payments under the interest-rate swap agreement disclosed in the above table have been calculated using the fixed interest rate under the swap agreement and the 30-day bankers' acceptances floating rate as at August 31, 2009.

22. Financial Instruments (continued)

b) Fair Values

(in thousands of $)	2009		2008	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Financial assets held for trading				
Cash and cash equivalents	**23,100**	**23,100**	–	–
Held-to-maturity investments				
Short-term investments	**–**	**–**	9,962	9,962
Loans and receivables				
Accounts receivable	**143,803**	**143,803**	155,841	155,841
Financial liabilities				
Other financial liabilities				
Bank overdraft	**–**	**–**	3,644	3,644
Accounts payable and accrued liabilities	**138,771**	**138,771**	129,906	129,906
Program and film rights payable – short-term	**58,220**	**58,220**	64,060	64,060
Program and film rights payable – long-term	**6,955**	**6,955**	13,446	13,446
Long-term debt	**692,761**	**688,756**	812,074	788,232
Derivatives designated as cash flow hedges				
Interest-rate swap agreement	**22,377**	**22,377**	18,374	18,374

The fair value of cash and cash equivalents, short-term investments, accounts receivable, the bank overdraft, accounts payable and accrued liabilities, and short-term program and film rights payable approximate their carrying value because of the short-term maturity of these instruments.

The fair value of long-term program and film rights payable is calculated using a discounted cash flow method of estimated future cash payments and management's best estimates, including program and film rights payment dates which are scheduled up to Fiscal 2014. For the Company, their fair value approximates their carrying value.

The fair value of long-term debt, net of deferred financing costs, is calculated using a discounted cash flow method and management's best estimates for a long-term debt with similar credit risks, including a comparative market interest rate of 4.0%, adjusted to take into account the Company's own credit risk, and a repayment date in October 2012.

The fair value of the interest-rate swap agreement is calculated using a method based on the net present value of future cash flows derived from quotes and assumptions obtained from a major financial institution, adjusted to take into account the Company's own credit risk.

23. Capital Risk Management

In the management of capital, the Company includes long-term debt and shareholders' equity (excluding accumulated other comprehensive income (loss)) as well as cash and cash equivalents (bank overdraft), and short-term investments in its definition of capital.

The components of the Company's capital structure are as follows:

(in thousands)	2009	2008
Long-term debt	**$ 692,761**	$ 812,074
Less: Cash and cash equivalents	**(23,100)**	–
Less: Short-term investments	**–**	(9,962)
Add: Bank overdraft	**–**	3,644
	669,661	805,756
Shareholders' equity	**1,165,066**	1,346,493
Less: accumulated other comprehensive loss	**16,109**	13,225
	1,181,175	1,359,718
	$ 1,850,836	$ 2,165,474

The Company's overall capital management objectives are to create shareholder value through organic growth of its operations and through accretive acquisitions, and to maintain the most optimal capital structure in order to minimize its cost of capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust its capital structure, the Company reviews the amount of dividends to be paid to shareholders annually and periodically decides to repurchase shares on the marketplace and/or to reimburse debt.

In order to ensure compliance with Federal Government directions, the *Broadcasting Act* and regulations governing specialty, pay and pay-per-view television services and radio stations (the "Regulations"), the Company has imposed restrictions on the issuance, transfer and, if applicable, voting of the Company's shares (see Note 12.a)).

Consistent with the terms of the Facility, the Company is subject to certain covenants such as debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") and interest coverage ratios. EBITDA is a measure that does not have a standardized meaning described by GAAP and may not be comparable to similar measures presented by other companies.

As at August 31, 2009, and throughout the year, the Company was in compliance with the above Regulations and covenants, and the Company's capital management objectives have not changed since August 31, 2008.

24. Subsequent Event

The Canadian Association of Broadcasters (the “CAB”), on behalf of its members, challenged in Court the validity of the Part II licence fees payable annually to the CRTC by television and radio broadcasters, as well as broadcast distribution undertakings. In December 2006, the Federal Court ruled that the Part II licence fees were an illegal tax. The Federal Government (the “Government”) appealed the Federal Court judgment, and on April 28, 2008, the Appeal Court ruled that the Federal Court mischaracterized the legal test to be applied to distinguish a tax from a regulatory charge and that the fees represented, in fact, administrative costs incurred by the CRTC. On June 27, 2008, the CAB, on behalf of its members, filed an application for leave to appeal the Appeal Court decision to the Supreme Court of Canada (the “SCC”), which application was granted on December 18, 2008. The CRTC confirmed to the CAB that it would not attempt to collect outstanding Part II Fees until the earlier of (i) the Appeal Court decision is affirmed by the SCC; or (ii) the matter is settled between the parties. The Company has been paying or accruing, as the case may be, the Part II licence fees using known rates since the beginning of legal proceedings.

Subsequent to Fiscal 2009, the CAB announced that its Board of Directors, along with other fee-paying stakeholders, approved the terms of a settlement agreement with the Government pertaining to the Part II licence fee issue. The agreement has resulted in the CAB and other named parties discontinuing the legal challenge before the SCC. The agreement provides that fees and interest due to the Government, but not collected by the CRTC due to ongoing litigation issues for fiscal years 2007, 2008 and 2009, will be waived and that there will not be any recovery of the monies paid by the stakeholders to the Government for any prior year. Going forward, the Government will be recommending that the CRTC revise the Part II licence fee regime to cap the fees. The revised fee regime will be effective for the fiscal year beginning September 1, 2009.

As at August 31, 2009, the Part II licence fees accrued on the Company’s consolidated balance sheet amounted to $12.4 million. Following the resolution of this issue, the Company will reverse this entire amount through its consolidated statement of earnings in the first quarter of Fiscal 2010.

Shareholders' information

	Class A shares *(non-voting)*	Class B shares *(one vote per share)*
Listing	TSX	TSX
Symbol	ACM.A	ACM.B
Recent price (1)	$33.73	$34.00
High / low – 12 months ended October 15, 2009	$34.50 / $19.41	$34.00 / $20.17
Shares outstanding (2)	53,388,843	2,784,672
Price / Earnings ratio (3)	11.9 x	12 x
Price / Cash flow ratio	8.7 x	8.8 x
Price / Book value ratio	1.6 x	1.6 x
Book value per share	$20.73	$20.73
Dividends per share last 12 months (4)	$0.50	$0.50

(1) As at October 9, 2009.

(2) As at August 31, 2009. Does not include 65,000 special shares entitled to 10 votes each.

(3) The Price / Earnings ratio is calculated on the basis of earnings per share from continuing operations before impairment of broadcast licences and future income tax recovery resulting from impairment of broadcast licences.

(4) The semi-annual dividend rate has been $0.25 per share since December 5, 2007.

Contacts

Executive Offices

2100, rue Sainte-Catherine Ouest
Bureau 1000
Montréal, Québec, H3H 2T3
T.: 514-939-5000

Astral Television Networks

The Movie Network
HBO Canada
Mpix
Viewers Choice Canada
Family
Playhouse Disney
Brookfield Place
181 Bay Street
P.O. Box 787, Suite 100
Toronto, Ontario, M5J 2T3
T.: 416-956-2010

Astral Télé Réseaux

Super Écran
Cinépop
2100, rue Sainte-Catherine Ouest
Bureau 1000
Montréal, Québec, H3H 2T3
T.: 514-939-5090

Astral Media – Le Fonds Harold Greenberg

T.: 416-956-5432
T.: 514-939-5094

Les Chaînes Télé Astral

Canal D
Canal Vie
VRAK.TV
Ztélé
Historia
Séries+
2100, rue Sainte-Catherine Ouest
Bureau 700
Montréal, Québec, H3H 2T3
T.: 514-939-3150

MUSIQUEPLUS INC.
MusiquePlus
MusiMax
355, rue Sainte-Catherine Ouest
Montréal, Québec, H3B 1A5
T.: 514-284-7587

TELETOON
TELETOON Retro
Brookfield Place
181 Bay Street
P.O. Box 787, Suite 100
Toronto, Ontario, M5J 2T3
T.: 416-956-2060

TÉLÉTOON
TÉLÉTOON Rétro
2100, rue Sainte-Catherine Ouest
Bureau 1000
Montréal, Québec, H3H 2T3
T.: 514-939-5016

Astral Media Plus

Astral Media TVPlus
Montréal
2100, rue Sainte-Catherine Ouest
Bureau 1000
Montréal, Québec, H3H 2T3
T.: 514-939-5077

Toronto
2, St-Clair Ave. Ouest
Suite 2000
Toronto, Ontario, M4V 1L5
T.: 416-924-6664

Astral Media Mix
2100, rue Sainte-Catherine Ouest
Bureau 1000
Montréal, Québec, H3H 2T3
T.: 514-939-5077

Astral iMedia
2100, rue Sainte-Catherine Ouest
Bureau 1000
Montréal, Québec, H3H 2T3
T.: 514-939-5077

Astral Media Radio

Astral Media Radio Québec
1717, boul. René-Lévesque Est
Rez-de-chaussée
Montréal, Québec, H2L 4T9
T.: 514-529-3200

Astral Media Radio Atlantic
206 Rookwood Avenue
Fredericton, New Brunswick, E3B 2M2
T.: 506-455-1069

Astral Media Radio G.P.
2 St. Clair Avenue West
Suite 1100
Toronto, Ontario, M4V 1L6
T.: 416-323-5200

Astral Media Radio Sales
2 St. Clair Ave. West
Suite 1700
Toronto, Ontario, M4V 1L6
T.: 416-323-5206

Orbyt Media
2 St. Clair Avenue West
Suite 1100
Toronto, Ontario, M4V 1L6
T.: 416-922-1290

Astral Media Radio Interactive
1717, boul. René-Lévesque Est
Rez-de-chaussée
Montréal, Québec, H2L 4T9
T.: 514-529-3229

Astral Media Affichage

1717, boul. René-Lévesque Est
Montréal, Québec, H2L 4T3
T.: 514-529-6664

Astral Media Outdoor

2 St. Clair Avenue West
Suite 2000
Toronto, Ontario, M4V 1L5
T.: 416-924-6664

Corporate Information

Annual and Special Meeting of Shareholders
December 9, 2009
2:30 p.m.
TMX Broadcast Center
Exchange Tower
130 King Street West
Toronto, Ontario, M5X 1J2

Auditors
Ernst & Young LLP

Banks
RBC Royal Bank
National Bank of Canada

Transfer Agent & Registrar
Computershare Investor
Services Inc.

Visit us at
www.astralmedia.com

Ce rapport annuel est également
disponible en français.

2009astralmedia.com

Astral Media®

EcoLogo®
CCD077

Printed in Canada
on 100% post-consumer fibre,
certified EcoLogo.